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TRACTORS TO TURKEY

India's export trade in agricultural machinery and implements more than doubled to nearly Rs. 12.80 million in 1973-74 from Rs. 6 million in the preceding year.

The principal product lines exported during the year related to tractors and machinery for harvesting, threshing and sorting purposes and a variety of machinery parts. These overseas supplies fetched round about Rs. 7.50 million. Tanzania Republic, Iraq, Nigeria, Kenya and Nepal were the major export destinations for these products. Appliances for preparing and cultivating soil constituted the next best variety of export dynamism, having earned about Rs. 3.80 million. The important export destinations for these appliances included U.S.S.R., Sri Lanka, Zambia, Nepal, Iran, Kenya, Nigeria, U. K. and U.S.A. The export of other agricultural machinery and part was valued at Rs. 1.46 million with Nepal, Singapore and Yemen Arab Republic as the major destinations.

Contributing to the export effort in the line, M/s. International Tractor Co. of India (Gateway Building, Apollo Bunder, Bombay) are reported to have secured an order from Turkey for supply of 750 tractors, valued at Rs. 25 million. Of this, the first consignment of 200 tractors is expected to be shipped to Turkey shortly. To date, the Bombay Company is understood to have booked export orders for agricultural machinery and parts worth Rs. 40 million. Their exports are directed to a number of countries including U.K., Australia, Turkey, Japan, Indonesia, Kenya, Tanzania, Zambia, Muscat and Nepal.

Besides its contribution in physical exports, the Bombay firm is reported to have concluded a collaboration agreement with Zambia for manufacture of agricultural implements in that country. The agreement provides for supply of complete technical knowhow and components for the assembly plant. The firm may also succeed in finalising another collaboration contract for setting up a tractor assembly plant in Zambia.

In India, there are currently 8 units in the organized sector, engaged in manufacture of agricul-

tural tractors in the range of 25 HP to 75 HP with a total installed capacity of 45,000 numbers. Additional capacity covered by industrial licences which include expansion of existing units, is placed at 102,000 numbers. Additionally, letters of intent have been issued to 5 units for a total capacity of 25,000 numbers. On the basis of the progress made so far, the capacity likely to materialise is estimated at 80,000 to 90,000 numbers. Actual production in 1973-74 was of the order of 25,000 numbers compared to 20,675 numbers and 17,750 numbers in 1972-73 and 1971-72 respectively.

The indigenous content in regard to components required in the manufacture of tractors is of the order of fifty percent in case of some manufacturers in the line. This is expected to be stepped up considerably in the near future. In regard to raw materials needed by the industry, part of the requirements for steel like MS angles and BP sheets are being met indigenously while other requirements, such as, steel, CRCA sheets and forging quality steel are being arranged through imports.

ELECTRICALS IN EXPORT TRADE

Export of electrical equipment from India has been witnessing an uptrend in recent years. The export value of the industry reached a level of Rs. 283.40 million in 1973-74 compared to Rs. 234.30 million in 1972-73, Rs. 187 million in 1971-72, Rs. 161 million in 1970-71, Rs. 145.50 million in 1969-70 and Rs. 133 million in 1968-69. The export range broadly includes electrical power machinery including electric motors and switchgears, equipment for distributing electricity, domestic electric equipment, telecommunication equipment, electric apparatus for medical purposes, radiological apparatus and other electrical machinery and apparatus.

In tune with the success of the industry in the export field, M/s. New Government Electric Factory (Byappanahalli, Bangalore), have succeeded in exporting electrical goods to the tune of Rs. 33 million upto 1973-74.

The annual turnover of the firm has increased from Rs. 1.6 million in 1965-66 to Rs. 200 million in 1973-74. Their range of products includes transformers, electric motors, switch gears and other electrical goods. Starting with distribution transformers, the firm is today turning out transformer-upto 40,000 KVA including furnace, rectifier and locomotive transformers. Similarly, their production for electric motors, initially confined to 3 HP and 5 HP motors for agriculture, now covers 1500 HP 6.6 KV units including pole changing, slipring and vibrator motors. In the field of switchgears, the firm has progressed from production of standard switchgears to sophisticated and aircooled and water-cooled rectifiers. They propose to take up still more sophisticated lines of activities, such as, manufacture of thyristors, thyristor converters, DC machines, mill motors and extra high voltage trans-

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PLANS TO DOUBLE INDIA'S EXPORT TRADE

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formers upto 300 MVA. Of late, the firm has entered the field of project business involving planning, supply, erection and commissioning of electrical equipment on a turnkey basis for chemicals, fertilizers, petrochemicals, shipbuilding, electrolysis and a host of other similar industries.

INDIAN MARINE PRODUCTS POPULAR ABROAD

M/s. Konkan Fisheries Private Limited, Chowgule House, Mormugao Harbour, Goa, (Western India), have stepped up their exports by over 135 percent during 1973-74 in comparison to their export performance at Rs. 3.57 million in 1972-73. Their cumulative exports upto 1973-74 amounted to Rs. 20 million. During 1971-72, the firm's exports totalled Rs. 5.3 million while during the year that preceded these were valued at nearly Rs. 5 million.

The export range of the firm covers a variety of seafood items, such as, frozen fish, shrimps, lobster tails, whole boiled lobsters and froglegs. These products of the firm are in growing demand abroad, particularly in the United States and Japan. It is considered as one of the significant exporting units in the line. It has its branches in two States - at Veraval in Gujarat and at Ratnagiri in Maharashtra.

India has achieved a considerable progress in stepping up its exports of fish and fish preparations. During 1973-74, for instance, the exports earned sizeable foreign exchange at Rs. 872.80 million as against Rs. 537.95 million in 1972-73, Rs. 413.95, million in 1971-72 and Rs. 305.35 million in 1970-71.

During 1973-74, chilled or frozen prawns and shrimps earned foreign exchange at as much as Rs 779.35 million (39,567 tonnes). In 1972-73, its export earnings were of the order of Rs. 484.80 million. During the year, Japan constituted the bulk importer at Rs. 521.70 million (22755 tonnes), followed by USA at Rs. 212.50 million (14034 tonnes). Australia, Belgium, Federal

Republic of Germany, Sweden and U.K. were prominent among other buyers. Besides, chilled or frozen lobsters earned Rs. 14.95 million, mainly from USA (Rs. 10.50 million); dried and salted fish Rs. 10.80 million and fresh fish (chilled/frozen) Rs. 2.66 million. Apart from these, fish in airtight containers secured Rs. 61.40 million and the export range included canned prawns and shrimps as also fish in airtight containers.

EXPORT SUCCESS IN TELEPHONE EQUIPMENT

Indian Telephone Industries (ITI), Bangalore, the state owned enterprise engaged in the manufacture of telephones and telephone equipment is likely to double its exports in 1974-75 to attain a level of Rs. 10 million. During 1973-74, ITI effected exports to the tune of Rs. 4.4 million and the major importers were Australia, United Kingdom, East Africa and Jordan. Orders on hand currently amount to Rs. 28 million.

Alongwith export success, ITI is progressively going ahead in developing new ranges in the field of telecommunication. The Dehradun Earth Station would be using wholly indigenous equipment developed by the ITI. This amply proves India's strides in developing sophisticated technology in this line of manufacture, and its speedy march towards the goal of self-sufficiency in the field.

Amongst recent significant achievements of ITI at the production level, the development of a new sophisticated equipment having a capacity of 252 international telephone circuits as also capacity for worldwide television relays through the satellite stationed above the Indian ocean is note-worthy. ITI is also credited with the development of 12 mega Hertz (MHZ) Coaxial systems having a transmitting capacity of 2700 simultaneous speeches over two Coaxial tubes in a cable. The systems covered all frequency bands and capacity requirements of the Posts and Telegraphs, Railways, Defence and electricity boards.

The most advanced member of this microwave family was the four Giga Hertz (GHZ) channel with a capacity of 1800 simultaneous speeches on one radio beam between two points. It also meets international specifications. ITI has developed this new sophisticated microwave system in a record time.

EXPORT PERFORMANCE AND POTENTIAL

CHEMICAL AND ALLIED PRODUCTS EXPORT UP

Recording an export growth of about 45 percent, India's export trade in chemicals and allied products amounted to Rs. 588 million during 1973-74 as against Rs. 407 million in the preceding year, according to the Chemicals and Allied Products Export Promotion Council, Calcutta. One of the main reasons for the increase in exports during the year was better unit value realisation for the products falling under the purview of the Council. In fact, the export performance during the year even outstripped the export target set for the year at Rs. 461 million by about 28 percent.

Barring paints, footwear and miscellaneous items, all other categories of products registered export uptrend during 1973-74. For example, rubber manufactured products earned more at Rs. 31.60 million as against Rs. 14.23 million (1972-73), automobile tyres and tubes Rs. 67.45 million against Rs. 60.45 million, glass and glassware Rs. 47.60 million against Rs. 37.45 million, ceramic and allied products Rs. 24 million against Rs. 13.43 million, processed minerals and refractories Rs. 46 million against Rs. 36.60 million, paper and paper-board Rs. 46.60 million against Rs. 28.25 million, paper products Rs. 30.35 million against Rs. 17.60 million, books and publications Rs. 20.70 million against Rs. 15.40 million and fertilisers including crushed bones and bone grist Rs. 126.20 million against Rs. 65.86 million.

The product groups whose export earnings registered fall during the year included footwear of rubber and canvas with rubber sole (Rs. 29.37 million against Rs. 30.36 million) paints, varnishes and allied products (Rs. 50.27 million against Rs. 57.16 million) and miscellaneous products (Rs. 7.63 million against Rs. 13.16 million).

SHARP INCREASE IN ESSENTIAL OIL EXPORTS

Recording over 50 percent increase during 1973-74 over the exports during the preceding year, India's export trade in essential oils, perfume and flavour materials secured Rs. 61.35 million as compared to Rs. 40.80 million (1972-73).

Of the total export realisation during 1973-74, essential oil resinoids alone secured as much as Rs. 61 million while synthetic perfume flavour materials and concentrates earned Rs. 0.35 million.

In the category of essential oil resinoids, a wide variety of oils were supplied abroad during the year; sandalwood oil fetched as much foreign exchange as Rs. 35.10 million and in terms of quantity, 92,667 kgs. of the oil was supplied to nearly two dozen countries. USA constituted the biggest buyer at nearly Rs. 15 million (34,663 kgs.), accounting for the bulk of Indian supplies. France was the next important destination, having absorbed 12,533 kgs. at a cost of Rs. 4.10 million. Among other buyers, Japan purchased worth Rs. 3.85 million (9130 kgs.), USSR Rs. 2.58 million (7000 kgs.), UK Rs. 2.18 million (6450 kgs.), Hungary Rs. 1.77 million (5640 kgs.), Netherlands Rs. 1.60 million (5100 kgs.) and Switzerland Rs. 1.50 million (4200 kgs.).

Lemon grass oil, the next best variety of oil popular abroad during the year earned Rs. 20.66 million. Quantitatively 366,904 kgs. were sold to a dozen overseas markets. USSR was the bulk importer at Rs. 14.35 million (227,070 kgs.) followed by UK at Rs. 2.27 million (55,137 kgs.), USA Rs. 1.23 million (27,305 kgs.) Hungary Rs. 1.10 million (25,120 kgs.) and Australia Rs. 1 million (16,513 kgs.).

Besides these principal varieties, palmarosa oil earned Rs. 1.65 million, Eucalyptus oil Rs. 1.13 million, cedarwood oil Rs. 0.38 million. Cinnamon leaf oil, clove oil, ginger grass oil, Keora oil, vetiver oil, oil of spices, peppermint oil and natural essential oils were also exported during the year.

During 1972-73, exports of sandalwood oil amounted to Rs. 27.80 million. In all 119,930 kgs. were supplied to overseas markets. USA was the biggest buyer during the year at Rs. 10.15 million, followed by France Rs. 4.50 million, UK Rs. 2.85 million, USSR Rs. 2.10 million and Switzerland Rs. 1.85 million. In the same year, lemon grass oil secured Rs. 9.50 million and USSR at Rs. 6.58 million was the bulk importer of this variety of oil. Among others, UK, USA and Hungary were prominent buyers.

TRADE PROTOCOL BETWEEN INDIA AND BANGLADESH

India and Bangladesh have recently concluded a protocol to switch over from the balanced rupee trade pattern between the two countries to freely convertible currency pattern of trade with effect from January, 1975.

The protocol is appended to the existing trade agreement (1973-76) which is based on the principle of "balanced trade and payments arrangements". The trade agreement was entered into in July 1973 and is valid for three years. Actual trade turnover during the first year of the Agreement did not attain the level envisaged in the Agreement on account of a number of constraints. Consequently Bangladesh could not supply the stipulated quantity of Jute and fish whereas there was a corresponding reduction in the supply of coal from India.

Under the Protocol the existing arrangements for rupee payment in respect of coal, jute, tobacco, newsprint and fresh fruit, for which commercial contracts have already been concluded will be extended upto the end of February 1975, on existing terms and conditions including prices and payment arrangements. The intention is to enable uncompleted deliveries to be completed.

The terms and conditions and the quantities of coal and jute to be supplied by India and Bangladesh respectively during 1975 have yet to be decided upon. India will buy fish valued approximately at Rs. 35 million during 1975 at prices acceptable to the contracting agencies in the two countries.

The existing institutional arrangements for trade in general and in specific commodities, e. g., Joint Review of the Trade Agreement, Transport Coordination Committee at Policy and Operational levels, Review Committee on Fish; would continue to function as before.

It has been agreed that technical credit outstanding against of Bangladesh at the end of the current year will be reduced by transactions in the next two months (January-February, 1975). If any credit remains at the end of February, it will be converted into an inter-governmental loan which would be repaid by the end of March, 1977. The outstanding portion will carry an interest of five per cent per annum, payable along with the instalments of the loan.

Bangladesh and India concluded the first trade agreement on the basis of limited payment and trade arrangements in March, 1972. A new trade agreement was signed on July 5, 1973 and this was incorporated in the balanced trade and payments arrangement which came into force September 1973.

OILCAKE EXPORTS UP

India's export trade in oilseed, cake meal and other vegetable oil residue earned foreign exchange at a value of Rs. 1706 million (1.22 million tonnes) during 1973-74 as against Rs. 747.70 million (1 million tonnes) during 1972-73.

During 1973-74, solvent extracted groundnut oilcake earned as much as Rs. 1211.80 million (795,829 tonnes) against Rs. 585.20 million (735,275 tonnes) during 1972-73. Japan at Rs. 261.50 million constituted the largest buyer during 1973-74, followed by United Kingdom at Rs. 125.40 million, Netherlands Rs. 115.35 million, Poland Rs. 109.30 million and Italy

Rs. 100.60 million. USSR, Yugoslavia, Hungary, Federal Republic of Germany, Czechoslovakia, German Democratic Republic, France and Spain were other significant markets. Besides this leading item, solvent extracted cottonseed oilcake (decorticated) secured Rs. 261.65 million (214,774 tonnes), against Rs. 111.90 million (152,447 tonnes). Over 20 countries bought this variety during the year. UK again topped the list of buyers at Rs. 35.70 million, closely followed by Czechoslovakia at Rs. 35.20 million, Netherlands Rs. 41.70 million, Italy Rs. 26.10 million, Poland at Rs. 24 million, German Democratic Republic Rs. 19.90 million, Denmark Rs. 16.75 million, Spain Rs. 15.25 million, Federal Republic of Germany Rs. 14.80 million and Hungary Rs. 12 million. Solvent extracted linseed oilcake which was the third best item active in exports during the year earned Rs. 90 million (72,359 tonnes) against Rs. 20.30 million (25,616 tonnes). Netherlands was the principal market for this item, having absorbed worth Rs. 31.25 million, followed by Poland at Rs. 25.65 million and Federal Republic of Germany at Rs. 11.35 million.

Apart from these principal varieties of oilcakes, deoiled and defated oilcake meal, expeller oilcake of copra, linseed, sesamum, as also solvent extracted oilcake of copra, solvent extracted kardi oilcake and deoiled and defated oil cake meal etc. were also supplied overseas during the year.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

SPOTLIGHT ON CHEMICAL MACHINERY

Notwithstanding its late entry into the manufacture of chemical machinery, India has achieved notable progress in the sector. As many as 60 units are engaged in the manufacture of chemical machinery in India. Of these, 57 are in the private sector while the remaining are in the public sector. Their total licensed capacity in terms of value is of the order of Rs. 860 million. Of this, the capacity in the public sector alone stands at Rs. 263 million.

The year 1973 witnessed the output reaching the Rs. 300 million mark. It rose to this level from Rs. 260 million in 1972 and Rs. 202 million in the year that preceded. Besides the capacity of the existing units in both the sectors, an additional capacity to the tune of Rs. 200 million per annum has been covered by letters of Intent to 17 manufacturing concerns. During 1973-74, the output was expected to be more or less the same as in 1973.

The infrastructure of this area of industrial machinery sector has been created in a way that there exists today a sizeable potential to undertake manufacture of all types of chemical plants and machinery. Foreign collaboration has played a significant role in this line of production and has helped to enlarge the production range to include various type of equipment that go into the chemical plants as also individual items of machinery.

The production of chemical machinery is correlated to the demand by the user industries like fertilisers, petroleum refining, petro-chemicals, heavy organic chemicals and drugs and pharmaceuticals. Taking into account this aspect, the production target for 1978-79, the terminal year of the Fifth Plan, has been set at Rs. 800 million as against the estimated installed capacity target of Rs. 1160 million. As compared to the output at Rs. 300 million estimated during 1973-74, the output target for 1978-79, represents over 165 per cent increase.

Broadly, the requirements of fabrication facilities for the fertiliser industry during the Fifth Plan include : vessels 65,500 tonnes, heat exchangers 28,000 tonnes and tanks, gas holders, low pressure compressor piping etc. 32,000 tonnes, while for other industries the respective figures have been set at 97,000 tonnes, 17,800 tonnes and 109,500 tonnes. Thus in the total requirement of 349,000 tonnes for fertiliser and other industries during the Fifth Plan, vessels are to account for 162,000 tonnes, heat exchangers 45,800 tonnes and tanks, gas holders, pressure compressor piping etc. 141,500 tonnes. Consequently the annual requirements during the Fifth Plan on an average come to 70,000 tonnes. However, taking into consideration the available facilities in India at present for the items mentioned above at 30,600 tonnes per annum (esti-

ated), there exists a considerable scope for creation of additional fabrication capacity to the extent of 40,000 tonnes per annum. Some items like storage tanks, low pressure mains, etc. can be manufactured by the existing units. Despite this, there would still be need for creating production facilities to the extent of 20,000 tonnes of equipment per annum corresponding to a capacity of 35,000 tonnes. According to rough estimates, out of this capacity (35,000 tonnes), pressure vessels would account for 28,000 tonnes while the capacity for heat exchangers would be of the order of 7000 tonnes. The additional capacity would cover the demand for items like heavy pressure vessels, dished ends and special heat exchangers of thickness of 300 mm, rotary and pen type fitters, special fabricated valves, agitators, evaporators of special materials, gas holders, waste heat boilers and so on.

PESTICIDE PRODUCTION

The production of pesticides including insecticides, fungicides, weedicides and other such products increased to 31,650 tonnes in 1973 compared to 26,715 tonnes in 1972 and 23,710 tonnes in 1971. In the organised sector, there are at present 25 units in the line with an installed capacity of 44,930 tonnes per annum. The capacity covered by industrial licences is placed at 52,390 tonnes a year. An additional capacity of 29,690 tonnes per annum has been approved through letters of intent. Capacity utilisation in this sector has improved from fifty per cent to over seventy-five per cent over a period of 3 years.

In this context, two plants, located at Delhi and Udyogmondal (Kerala) of the Public sector undertaking, M/s. Hindustan Insecticides Ltd., achieved a record production of 8179 tonnes of DDT in 1973-74 against their combined rated capacity of 8176 tonnes. This may result in a saving of Rs.7.2 million in foreign exchange by reducing the country's import of formulated DDT.

Total sales of the company during the year were also up by 24 per cent at Rs. 62.30 million compared to Rs. 50.3 million in the preceding year, (1972-73).

During the Fifth Five Year Plan, the company plans to set up an additional plant for DDT and diversify its product range by taking up the manufacture of Endosulfan, Malathion, caustic chlorine and O.P. compounds. The company is also taking necessary steps to set up a BHC granulation plant at Alwaye at a cost of Rs. 2.7 million out of its own internal resources.

Set up two decades back, the company is engaged in research projects related to its activity and diversification needs. It has also sponsored research projects involving an expenditure of nearly Rs. 0.25 million at the National Chemical Laboratory, Poona and the Regional Research Laboratory, Hyderabad.

DYE-INTERMEDIATES

A REVIEW

The dye-intermediate industry made appreciable progress in India during the last decade. Annual production in the line which was practically nil prior to sixties, attained a level of 7143 tonnes by 1968. In the next two years the progress was even more spectacular and the production touched a figure of 20,885 tonnes in 1970. The decade 1960 to 1970 was, in fact, a period of all round progress in the number of items manufactured and in the amount of total production achieved, thus making the progress of the industry both intensive and extensive.

In 1971, there were 17 units in the large-scale sector producing 149 dye-intermediates. The industry provides the basic raw materials for production of dye-stuffs both for domestic use as well as for exports. Some of the intermediates also find use in the manufacture of other important industrial products, such as, rubber chemicals, plastics etc.

The essential raw materials required by the dye-intermediate industry include basic and other coal tar primaries as also ancillary chemicals. The basic coal tar primaries required by the industry are benzene, toluene and naphthalene. Other coal tar primaries include xylene, solvent naphtha, anthracene

phenol/sodium phenate, cresol and xylenol, carbazole and pyridine. These are the distillation products of coal tar produced in coke ovens and gas works by the process of carbonisation of coal. A few of the primary raw materials like benzene and xylene are also produced from the petro-chemical sources.

The plants at Bhilai, Rourkela and Durgapur of Hindustan Steel Limited continue to be the main producers of basic coal tar primaries. Other important producers are the Tata Iron and Steel Company, Indian Iron and Steel Company, National Organic Chemical Industries Limited and the Indian Petro-Chemical Corporation.

National Organic Chemical Industries Limited continues to be the only supplier of benzene from petro-chemical sources. It is understood that the Indian Petro Chemical Corporation commenced the production of mixed xylenes in June 1973 with an installed capacity of 2,500 tonnes. It has produced 1,014 tonnes of mixed xylene in 1973 and sold 653 tonnes during the year while the balance quantity was supplied to actual consumers and other purchasers in 1974.

The required ancillary chemicals include various organic and inorganic chemicals, such as, absolute alcohol, methanol, acetic acid, anhydrous aluminium chloride, cyanuric chloride, caustic soda, caustic potash, glycerine, manganese dioxide, soda ash, sulphuric acid, nitric acid, hydrochloric acid, phosphorous trichloride, sodium nitrite, sodium sulphate, sodium sulphide, sodium hydrosulphite, liquid ammonia, iron powder, zinc dust etc. The Indian Standard Institute has so far published in all 38 standards on dye-intermediates in general.

Some of the major achievements of research and development work of the industry are modification in the reaction conditions and development of analytical methods to study the progress of reaction, thereby minimising the loss of reaction and increasing the corresponding yield of the end product; development of newer routes of manufacture for a number of intermediates on pilot plant's scale and successfully transferring them on plant for bulk manufacture to make use of valuable raw materials in the country as a part of import substitution efforts; elimination of cause and prevention of the corrosion of equipment in

the manufacture of certain products thereby increasing the life of the equipment and minimising nuisance arising out of the evolution of obnoxious gases in some of the processes as part of the efforts to combat pollution.

Alongwith progress in production and research and development, the industry has also entered the export field as well. The exports of India-manufactured dye-intermediates secured Rs. 7 million in foreign exchange in 1973 as against Rs. 6.20 million in the preceding year. The specific items exported included ortho-toluidine, metanilic acid, antraquinone phenyl-J-acid, tobias acid, aminoanthraquinone, benzidine dihydrochloride and benzidine sulphate, gamma acid, G-salt, H-acid, J-acid urea, sodium naphthionate naphthionic acid, sulphanilic acid, peri acid/S-acid and 1-amino-anthraquinone.

FISHING.TRAWLERS

The fishing trawler building industry has come to assume new significance in India. The facilities required for the manufacture of fishing trawlers and other types of boats and crafts are interchangeable. In India at present, 14 units are engaged in fabricating coastal boats and crafts including fishing trawlers. Besides the fabricating activities, the yards are also undertaking ship repair jobs. Among them, one yard is specifically licensed to manufacture fishing trawlers and its annual capacity is of the order of 12 numbers per annum. Apart from this, more capacity is being created in this line. Already two units have been issued letters of intent for the manufacture of fishing trawlers for an additional capacity of 43 numbers per annum in the State Government sector.

The production of coastal boats and crafts including fishing trawlers in 1973 in terms of value was of the order of Rs. 150 million as compared to Rs. 115.60 million in 1972 and only Rs. 97.40 million in 1971. During the Fifth Five Year Plan (1974-79), the requirements of fishing trawlers have been estimated at 50 numbers per annum. Despite the existing and approved capacity, there exists scope for further licensing of capacity in this area of manufacture.

Almost all the ship boat building yards are annually importing a number of items of machinery and equipment for fitment in boats, resulting in a sizeable outgo of foreign exchange. However, in recent years, considerable progress has been achieved in indigenous manufacture of a number of ancillary items. These are now being supplied to yards regularly. Notwithstanding the progress achieved so far, in many of the ancillaries, adequate indigenous capacity has not been developed. Thus, there is still a gap between the requirement and availability of ancillaries. The list of such ancillaries where indigenous capacity is required to be created includes, propeller assembly (fixed and variable) complete with shaft, steering gear (both mechanical and electro-hydraulic), stern gear (light and heavy duty), rudder shock (light and heavy duty), trawl winches for fishing trawlers, anchor windlass, capstan, towing hook, towing winch, navigational lights, clear view screen, life boat compass, breathing apparatus, sextant, air-whistle, marine clocks, marine diesel engines (especially of higher horse power range), auxiliary engines, electronic equipment for fish finding, such as, echosounders, fish finders and sonars, navigational equipment including RT and hydrographic equipment. Proposals for foreign collaboration for the manufacture of fishing trawlers and the ancillary items can be considered on merits.

MACHINE TOOLS

SOME FACTS

The production turnover of the machine tool industry in India was of the order of Rs. 630 million in 1973-74. The industry was able to step up its production to this level from Rs. 527.50 million during 1972-73, achieving 70 per cent capacity utilisation.

Production of machine tools is being carried out by units both in Public and Private sectors. The total licensed capacity in the machine tool sector is of the order of Rs. 1020 million. Of this, capacity worth Rs. 810 million is accounted for by units engaged in the manufacture of metal cutting and metal forming machines while that worth Rs. 210 million is being

shared by units engaged in the manufacture of machines for working on plastics, glass and wood, portable electric and pneumatic tools, diecasting machines, wire working machines etc. Additional capacity to the tune of Rs. 340 million has already been covered through letters of intent and a sizeable portion of this is expected to materialise soon. Besides the units in the large scale sector, a number of units are also engaged in the manufacture of general purpose machine tools in the small scale sector.

The production range of the industry covers a large number of items including special purpose machine tools of unit type head. During the fifth Five Year Plan, by 1978-79, the Capacity target is set at Rs. 1600 million while the target for production is placed at Rs. 1370 million. The industry has also made a considerable headway in the export of general purpose type machine tools and the present export turnover is of the order of Rs. 30 million per annum.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

RUST PREVENTING PHOSPHATING JELLY

It is a common practice to phosphate steel structure after removing rust and scale to prevent the structure from rerusting before painting to promote good adhesion of paint and to increase paint life. Rerusting of steel structures usually takes place during the period between removal of rust and scale painting unless pretreatments like phosphating are resorted to. In the case of erected steel structures which are being derusted at site or in the shop by sand or shot blasting, flame cleaning or by the use of rust and scale removing jelly, it is convenient to use a phosphating jelly which can be brushed on the surface like painting.

The Central Electro-chemical Research Institute, Karaikudi, has developed a formulation for the manufacture of phosphating jelly from cheaply and abundantly available indigenous raw material. The jelly developed is based on plant carbohydrates and plant proteins, a cheap alkali metal phosphate, cheap mineral

acid and a very small amount of commonly used fungicide. Jelly can be applied with a fibre brush. It does not run off the surface on application. The active substance remains in contact with the metal surface for the period required. The jelly can be washed off the surface with running water or by wiping wet cloth. Cost of jelly is very low. The jelly has applications for all types of steel structures e.g. rolling stocks, such as, vehicles, railway wagons, coaches, etc. and stationary structures, such as, bridges, sheds etc.

The process has been worked on laboratory scale. The jelly prepared in the laboratory has been tasted and was found satisfactory.

Plant carbohydrate, plant protein, alkali metal phosphate, mineral acids and fungicide are the main raw materials needed in the process. All are available indigenously. The essential items of plant and machinery are glass lined reactor, anchor type agitator, boiler, water pumps and cooling tower. The total capital outlay for setting up a plant capable of producing 630 tonnes jelly per annum has been estimated at Rs. 3,79,600.

ELECTROSTATIC FLOCK FINISHING OF LEATHERS

A process for electrostatic flock finishing of leather has been developed by the Central Leather Research Institute (CLRI), Madras. The process helps the flock finishing of rejected leather. In India out of 45 million pieces of finished leather, nearly 30 per cent are rejected due to defects like tick marks, pox marks flay and butcher cuts. After flock 'finishing' to the rejected leather, using the CLRI developed 'flock finishing technique, the leathers can have sizeable demand at home as well as abroad. These can be exported in the form of fashion oriented products, such as, ladies handbags, garments, gents' ties, go-belts, pouches and chappals.

The technique developed by CLRI consists of adhesive application through screens with bewildering variety of designs on leather, application of textile fibre

flocks on adhesive coated leather, air drying, brushing to remove the surplus flocks and trimming.

The special features of the newly developed process are that (i) mostly indigenous raw materials are used, (ii) the process can be used both by small scale entrepreneurs and organised sector of the leather industry, (iii) equipment required in the process are available easily, (iv) the processed leathers have high export potential, (v) leathers are resistant to washing and drycleaning, (vi) their colour remains stable and (vii) flock is not disturbed even during ordinary care by the customers.

Laboratory scale experiments have been conducted on more than 200 small pieces of full chrome, semi chrome shades etc. More than 150 full leathers have been turned into fancy leather goods and the products have been well received both within India and abroad.

The raw materials include quality suedes for garments, suede garments quality - C.D. & RR's (0.8 mm thickness) for handbags, split of 0.9 to 1 mm thickness for footwear (from cow, buff side), coloured adhesive, flocks of bright colours and chemicals. All these are available indigenously.

Main equipment required include screen printing table 7' x 5', flock printing table 8' x 8', electrostatic flocking unit - 40,000 V, input 200-250 V 50 C. P. S. and brushing unit. All these are indigenously available. CLRI is in a position to design, fabricate and supply the equipment to interested parties.

Flock finish leather adds dash to an otherwise prosaic fabric; if further ornaments. Creates totally new looking garments or fancy leather goods without losing its leather look and leather characteristics. It is extremely saleable and has immense fashion potential. It calls for a greatly expanded creativity and demands newness. Flocking as a design tool, supplies that newness. Its versatility allows designers and manufacturers an ideal yet uncomplicated way of producing novel and highly marketable creations.

Flock finished leathers can be virtually immune to damage from washing and dry-cleaning and colours remain stable. And flock itself stays in place even when given ordinary care by the customers.

PLANS TO DOUBLE INDIA'S EXPORT TRADE

While inaugurating the Seventh Meeting of the Advisory Council on Trade, India's Minister of Commerce stated that although India's export target for 1974-75 was likely to be exceeded, her imports were increasing at a much faster rate than one could imagine even six months ago. Food, fertilizers, petroleum products and other items absolutely essential for the developmental effort of the economy now cost much more and there are indications of recession in some vital sectors in the developed countries which would affect the prospects of the country's major items of exports, both in quantitative terms and in terms of value realizations. While certain measures might be adopted in the short-run to prevent the export earnings from falling, the ultimate objective would be to widen and deepen the entire range and content of the economy's export production. Already the areas and commodities have been identified where the present promising trend of high unit values and rising demand can be expected to be maintained over a definite time schedule.

An ambitious target of an increase of over 100 per cent in exports in real terms would inter alia imply series of measures designed to augment the export capability of a number of sectors/commodities where market intelligence suggests that export possibilities would continue for the next 5-7 years. The prospects of sugar exports need to be tapped more systematically than they have been in the past and towards this end sugar production would need to be increased considerably. India's sugar exports this year may be somewhat higher than 40,000 tonnes, which is no doubt an improvement on the performance in the previous years. This, however, constitutes a small percentage of India's total production. The Fifth Plan visualises an increase in sugar production from 4 to 6 million tonnes, a rate of increase somewhat on the low side, if account is taken of the annual rate of growth of sugar consumption over the past few years. Besides, out of a total production of around 12 million tonnes, almost 8 million tonnes is accounted for by Gur and the balance by Khandsari and refined sugar. More active

steps for the creation of additional sugar capacity need to be taken, besides simplification of licensing procedures for the installation of additional capacity, the Minister added.

There is considerable idle capacity in the cement industry, apart from surpluses which can be generated from additional investments. At present, the target is 1 million tonnes for export of cement next year, which is only 1/16th of India's total production and works out to about 6 per cent of her total production. There has been gross under utilisation of installed cement capacity in the country and apart from the creation of additional capacity, it should be possible to increase the target of 1 million tonnes to about 5 million tonnes, if optimum utilization of installed capacity can be achieved without seriously interfering with the rate of domestic consumption.

Engineering goods are likely to be the most promising items of Indian exports over the next few years. The projection of a level of Rs. 4600 million per annum at the end of the Fifth Plan can be improved upon. In fact, the full utilization of capacity in this industry and the opportunities for turnkey and other forms of project exports, could well take this figure near Rs. 10,000 million.

To maximize foreign exchange realisation from the country's export trade in engineering goods certain decisions have been announced by the Government of India in the context of supply of steel to engineering product exporters. Since June 1973, a minimum value addition of 25 per cent over the cost of steel and of other imported raw material was stipulated to ensure that the engineering goods exported secured the best possible export price. In the past few months international prices of steel have been declining and the f.o.b. prices realizable on the exports also witnessed a declining trend. The Government of India have decided that in future the base price to be adopted for calculating value addition would be the average of the four prices quoted in the International Metal Bulletin prevailing in the preceding month to the date of the order. It was also decided that in suitable cases like welded steel pipes and tubes, bright bars and shaftings, transmission line towers and tension bars, minimum stipulation of 25 per cent would be relaxed subject to a

minimum of 10 per cent. The Minister felt that these measures would help encourage the export of engineering items.

Referring to reorganisation of transport and shipment facilities, the Minister stated that even on the present assumption of the somewhat conservative export projection visualised in the Fifth Five Year Plan, the requirement of tankers would be 1.7 million G.R.T. during the next five years while the need of smaller tramps for manganese ore and other ore exports would be over a million GRT. For this requirement of bulk carriers would be nearly 7 million GRT. The Fifth Plan indicated a total target of 9.6 million GRT which would need to be significantly revised if the trade turnover were to increase by 100 percent as visualised. The Minister stated that the time had come when any additional tonnage sanctioned by the Government need to bear a firm commitment to the carriage of Indian cargo. Besides, the type, quality and size of handling facilities at Indian ports should be improved and the ports should be modernised quickly for a quick turnaround of vessels.

Apart from augmenting tonnage and improving port conditions, there would have to be better utilisation of road and railway transport facilities. In this context, the Minister referred to the dry port scheme for North India to be built around Delhi. Another important development in the field of transport would be the increase in the quantum of exports by air, particularly of high value and perishable commodities. To this end, air cargo capacity must also be increased considerably in the next five years or so, stated the Minister.

"If these background conditions are fulfilled - and it shall be our utmost endeavour to ensure that they are - the target which I have indicated would not seem very utopian". To provide the initial thrust of a massive expansion of the production base the large industrial houses should be permitted to utilise fully or expand their capacity in their established lines of

production, both for meeting domestic need and export demand. Also certain areas could be earmarked for export production such as the Santa Cruz Electronics Processing Zone, the Delhi Dry Port Scheme and so on. Such export zones alone should be able to contribute a minimum of Rs. 700 to Rs. 1000 worth of exports per annum.

Reviewing the external trade policy of the Indian economy, the Minister referred to the finalization of commercial cooperation agreement with the European Economic Community and the Indo-EEC Joint Commission which recently met in New Delhi. A wide range of commodities and their terms of access to the EEC were discussed at the recent meeting and measures for diversification and liberalization of trade were finalised in certain cases. The present facility of duty free entry for India's jute and coir products into U.K. and Denmark would continue in 1975. Details of India's export capacities in various fields would be disseminated in the member countries of EEC to promote cooperation in third countries. Also the Community has agreed to an aid of \$ 50 million to help India in meeting its rising oil bill. With the East European countries and the USSR, India's trade has reached a virtual plateau after two decades of spectacular growth. The annual trade plans with these countries are being gradually replaced by long term possibilities of mutual adjustments of plan processes. The Asian Trade Expansion Programme initiated by the Kabul Declaration of 1970 moved ahead with the setting up of Trade Negotiations Group under the auspices of ESCAP. Also the decision to form the Asian Clearing Union and Commodity Groups for cardamom, pepper and coconut were expressions of the urge for regional cooperation among the countries of Asia. With the U.S.A. and Iran, agreements covering a wide area of cooperation have been arrived at.

The product composition of India's trade with these countries would significantly change and improve in the years to come, the Minister stated.

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ENGINEERING CONSULTANCY FOR EXPORT

M/s. Engineering India Limited, (EIL), a public sector undertaking engaged in design and engineering consultancy, has come to establish itself on the world trade map. Specialised in a number of fields, such as, petroleum refining, petrochemicals, chemicals, fertilizers, non-ferrous metallurgy plants and specialist services for maintenance, the firm has to its credit a number of domestic as well as overseas assignments in these fields. It has recently been awarded a contract by Syria for consultancy services in respect of the maintenance and inspection of equipment for its home refinery. The company has bagged this contract against keen global competition. It has also been engaged by a leading international firm for providing engineering assistance and services for a number of projects being executed by it abroad. The firm had earlier entered into agreements with two Iraqi firms—State Consultancy Company for Oil Projects and State Organisation of Industrial Design and Construc-

tion—to assist them in the design, engineering and construction of projects in the fields of petroleum refining, petrochemicals, fertilisers and pipelines.

At home level also, EIL has made notable progress. Amongst the projects it has completed during 1973-74, mention may be made of fuel sector of the Haldia refinery projects of the Indian Oil Corporation, the Rs. 300 million caprolactum project of the Gujarat State Fertiliser Company, the construction management services relating to the chemical complex of Hindustan Organic Chemicals at Rasayani, engineering and construction supervision of Indian farmers Fertiliser Cooperative's ammonia plant at Kalol, the Urea Plant of Southern Petrochemical Industries Corporation and the sulphuric acid plant, phosphoric acid plant and copper concentrator at Dariba for the Hindustan Copper Limited.

Besides the above, EIL is presently engaged in the implementation of some of the major projects of vital national significance. Such projects include fertiliser projects at Bhatinda and Panipat by the

National Fertilisers Limited, the Koyali Naphtha Cracker Complex of the Indian Petrochemicals Corporation, the Zinc smelter Project of the Hindustan Zinc Limited at Visakhapatnam, the off-shore oil terminal in the Gulf of Kutch and the Koyali refinery expansion.

The Koyali Naphtha Cracker complex, for instance, is one of the most sophisticated industrial projects undertaken in India as also one of the largest petro-chemical complexes undertaken in the country and one of the largest petrochemical complexes undertaken as one job by a single engineering company anywhere. The Rs. 400 million project is expected to be completed during the first half of 1977. The Bhatinda fertiliser plant is also expected to be mechanically completed by the end of 1977 while the work relating to the Panipat Fertiliser plant which is expected to begin in the first quarter of 1975 is scheduled to be completed within a period of 33 months thereafter. Implementation of both these projects has been planned in such a way as to ensure maximum possible of trouble-free operation, completion of the plant at the earliest possible and production of fertilisers on commercial basis with maximum indigenous content.

EIL has achieved a record turnover of Rs. 52.75 million during 1973-74 which yielded a profit of Rs. 4.42 million during the year as against Rs. 2.68 million in the year that preceded.

DIESEL ENGINES IN EXPORT TRADE

Testifying to the overseas popularity of Indian diesel engines and parts, M/s. Cooper Engineering Ltd. (Construction House, Wittet Road, Ballard Estate, Bombay-1), stepped up their export earnings to about Rs. 4.80 million in 1973-74 from Rs. 1.30 million in the preceding year. Their performance is expected to be more encouraging in the current year. In fact, the firm has already secured an order from Bangladesh for diesel engines and spares worth Rs. 12.50 million. Total orders on hand with the firm at the end of

November 1974 stood at Rs. 67 million against Rs. 57.40 million during the same period in 1973.

The production profile of the firm includes diesel oil engines; machine tools, textiles machinery and agricultural implements.

India's exports of diesel engines and parts totalled about Rs. 90 million in 1973-74. Of this, stationary (vertical) diesel engines accounted for an earning of nearly Rs. 38 million while parts for stationary engines, contributed Rs. 30.64 million in foreign exchange. Saudi Arabia, Iran, Philippines, Iraq, Indonesia and Syria were the major markets for these engines. Federal Republic of Germany with an intake worth about Rs. 9.75 million was the leading buyer for stationary diesel engine parts. Iran, Bangladesh,

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Philippines, Saudi Arabia, Sudan, Syria and Thailand were the other major buyers for these parts.

Next to vertical stationary diesel engines, horizontal diesel engines (stationary type) earned Rs. 3.2 million in foreign exchange in 1973-74. Saudi Arabia topped the list of buyers. Iran, Iraq, Kuwait, Libya, Syria Afghanistan, Singapore and Tanzania Republic were also prominent markets. In this line of manufacture, the export value of other important products including horizontal diesel engines, marine diesel engines and parts, vertical and horizontal diesel engines for motor vehicles and parts was Rs. 14.75 million.

The diesel engine industry in India encompasses about three large and medium scale units with an installed capacity for 292,200 engines. Actual production was of the order of 132,300 numbers (Rs. 550 million) in 1973 as against 79,000 numbers (Rs. 347 million) in 1972. Additionally, there is substantial production of small HP (up to 15 HP) diesel engines in the small scale sector. Present capacity utilisation is about fifty per cent. Foreign collaboration in the line is considered on merits. Excepting a few components, most of the raw materials are available indigenously. Creditably, the industry has achieved almost cent per cent import substitution in the manufacture of verticle engines below 15 HP and horizontal engines below 50 HP. Imports are limited to only a few special types of high output engines.

INDIAN VACUUM FLASKS POPULAR ABROAD

India's export value of vacuum flasks and other vacuum vessels improved to Rs. 5.70 million in 1973-74 against Rs. 4.85 million in 1972-73, Rs. 4.83 million in 1971-72 and Rs. 2.90 million in 1970-71.

The bulk of these exports went to the Soviet Union. During 1973-74, USSR imported from India 662,990 flasks and other vacuum vessels at Rs. 5 million. Poland and Japan were the other two important buyers.

Contributing appreciably to the export effort in the line, M/s. J.G. Glass Industries (P) Ltd. (Bombay) exported their vacuum flasks and refills worth Rs. 4.85 million in 1973-74 recording an increase of 15 per cent over their previous year's performance. In fact, in 1971-72 the firm exported these products worth only Rs. 1.2 million. Their export achievement in 1973-74 represents 65 per cent of their production in terms of quantity and 57 per cent in terms of value. Additionally, the firm also supplied penicillin vials and pharmaceutical bottles to overseas markets in 1973-74 to earn about Rs. 1.50 million in foreign exchange which was 40 per cent more than that of the previous year.

In the current year, the firm is poised for still better export performance. It has already exported vacuum flasks worth Rs. 4 million during the year while their overseas sales of penicillin vials have brought in Rs. 1.8 million. The firm is also exporting engineering goods. Their total export of flasks, refills, glass bottles and engineering goods to date amount to Rs. 35 million. Their products are supplied to number of countries including USSR, Poland, Japan, Thailand, Bulgaria, Philippines, Hong Kong, Arab Republic of Egypt, Ethiopia, Australia and Indonesia.

The firm is one of the recipients of special export award granted by the Chemicals and Allied Products Export Promotion Council, for their commendable export performance and promotional activities during the year 1973-74. Their vacuum flask unit has received this award consecutively for the second year whereas their glass container manufacturing unit has won the Export Badge for the second time, besides special award in 1970-71.

EXPORT ORDERS FOR SODIUM SULPHATE

A wide variety of chemical products made in India find their way to overseas markets, including even most developed economies, such as U.S.A., U.K., U.S.S.R., Australia and Japan. The export value of chemical elements and compounds alone improved from Rs. 71.75

million in 1971-72 and Rs. 76.45 million in 1972-73 to about Rs. 144.30 million in the following year (1973-74). Of this, organic chemicals brought in Rs. 52.65 million while the share of inorganic chemicals totalled Rs. 91.65 million.

In the above context, M/s. Gwalior Rayon Silk Mfg. (Wvg.) Ltd. is poised for large-scale export of sodium sulphate. The firm has secured three export orders for the product, one each from Iran, Kenya and Bangladesh. The orders cover a quantity of 8000 tonnes and are expected to earn Rs. 17.50 million in foreign exchange.

The firm is reported to be producing about 42,000 tonnes of the product every year. The diversified range of its production includes other chemicals besides sodium sulphate. Staple Fibre Division at Birlagram (Nagda) is engaged in the manufacture of staple fibre, sulphuric acid and carbon disulphide while its Engineering Division is turning out rayon and allied chemical plant and machinery. The Weaving Division of the firm at Birlanagar, Gwalior, is producing synthetic fibres and the wood-pulp Division at Birlakootam, Mavoor is manufacturing rayon grade pulp. The firm is also manufacturing paper and cotton textiles and blended fabrics.

EXPORT PERFORMANCE AND POTENTIAL

TRENDS IN INDIA'S EXPORT TRADE

India's export trade has been provisionally placed at a value of Rs. 17,520 million during the first seven months of 1974-75 (April-October 1974) as compared to Rs. 12,786.40 million in the corresponding period of 1973-74. During April-October 1974, the country's import bill has been placed provisionally at Rs. 20,886.30 million against Rs. 13,262.00 million in the corresponding period of 1973. The balance of trade in the respective periods was adverse to the tune of Rs. 3366.30 million against Rs. 475.60 million.

Product-wise break up of the export trade is available for the period April-August 1974, on a provisional basis. All the major groups—agriculture and allied products, plantation, ores and minerals, textile fabrics and manufactures including coir and jute, engineering goods, handicrafts and other manufactures have recorded an increase in export during the period under review.

Export of agriculture and allied products during April-August 1974 amounted to Rs. 3529 million against Rs. 2421 million. In this group, oilseeds, nuts and kernels accounted for Rs. 111.5 million as against Rs. 47.4 million, vegetable oils Rs. 269 million against Rs. 135 million, unmanufactured tobacco Rs. 466 million against Rs. 437 million, spices Rs. 202 million against Rs. 140 million and sugar Rs. 756 million against Rs. 37 million. Fruits, vegetables and pulses earned Rs. 591 million against Rs. 423 million. Of this cashew kernels fetched Rs. 528 million against Rs. 385 million, pulses Rs. 6.6 million against Rs. 3.8 million, onions Rs. 15 million against Rs. 13 million and other fruits and vegetables Rs. 42 million against Rs. 21 million. Lac earned Rs. 137 million against Rs. 40 million. Essential oils, perfume and flavour material brought in Rs. 45 million against Rs. 15 million while meat and meat preparations fetched Rs. 25 million against Rs. 19 million.

Plantation crops earned Rs. 1032 million against Rs. 673 million. Tea and mate fetched Rs. 735 million as compared to Rs. 464 million while coffee accounted for Rs. 297 million against Rs. 208 million.

Export of ores, minerals and scrap improved to Rs. 631 million from Rs. 602 million. In this group, iron ore earned Rs. 393 million against Rs. 459 million, manganese ore Rs. 53 million against Rs. 33 million and mica Rs. 86 million against Rs. 35 million. Ores and minerals (other than iron) including manganese ore and mica accounted for Rs. 91 million against Rs. 62 million.

Yet another area of growth in export during the period under review related to textile fabrics and manufactures excluding coir and jute. Their exports improved to Rs. 1704 million from Rs. 880 million.

Textile fabrics earned Rs. 913 million against Rs. 383 million, cotton piece goods (mill-made) Rs. 647 million against Rs. 409 million. Fabrics of artsilk and synthetic fibre and spunglass (mill-made) fetched Rs. 92 million against Rs. 56 million. Handloom fabrics of all kinds earned Rs. 168 million against Rs. 111 million. Cotton apparel accounted for Rs. 398 million as against Rs. 116 million, cotton hosiery Rs. 27 million against Rs. 4 million and other cotton manufactures Rs. 188 million against Rs. 78 million.

Manufactures of coir and jute earned Rs. 1555 million against Rs. 1073 million. In this group, coir and manufactures fetched Rs. 65 million against Rs. 53 million and jute manufactures Rs. 1490 million against Rs. 1019 million.

Among other manufactured goods, footwear made of leather and canvas accounted for Rs. 74 million against Rs. 37 million.

Engineering goods improved their position to Rs. 1160 million from Rs. 551 million. Metal manufactures brought in Rs. 277 million against Rs. 145 million, machinery other than electric Rs. 283 million against Rs. 139 million. Electrical machinery, apparatus and appliances fetched Rs. 181 million against Rs. 85 million. Transport equipment earned Rs. 172 million against Rs. 100 million and other engineering goods Rs. 244 million against Rs. 79 million.

Handicrafts also registered growth in exports during the period under review. Their exports were of the order of Rs. 673 million against Rs. 474 million. Handloom carpets and druggets, metal-artware brass and copper-pearls and precious and semi-precious stones (unworked and worked), zari goods, textiles hand printed, wood work, woollen shawls, lohis, travelling goods and other handicrafts improved their overall position.

Among other manufactures, ferro manganese and ferro-alloys fetched Rs. 35 million against Rs. 15 million. Chemicals and allied products earned Rs. 343 million against Rs. 128 million. Plastic and plastic manufactures fetched Rs. 30 million against Rs. 12 million. Rubber manufactures including crude rubber

accounted for Rs. 57 million against Rs. 29 million. Paper and paper board earned Rs. 33 million against Rs. 19 million. Glass and glassware fetched Rs. 19 million against Rs. 13 million.

However, there was a shortfall in the export trade of certain categories in the period under review. For instance, the group of iron and steel earned Rs. 28 million against Rs. 133 million. Iron ore fetched Rs. 66 million less in the group of ores and minerals and scrap. Iron and steel scrap brought in Rs. 8 million against Rs. 12 million. Similarly in the group of textile fabrics and manufactures, excluding coir and jute, woollen fabrics earned Rs. 6.2 million against Rs. 6.7 million. Yet another item leather and leather manufactures (excluding footwear) in the group of leather, leather manufactures and hides and skins accounted for Rs. 630 million against Rs. 833 million. Amongst other manufactures, wood, lumber and cork manufactures earned Rs. 68 million compared to Rs. 113 million.

EXPORT REVIEW OF COTTON TEXTILES

Cotton textiles, after tea and jute have been the traditional mainstay of Indian export structure through out the fifties and sixties. Roughly speaking cotton textiles accounted for about 6 to 7 per cent of the total Indian exports while the other two items earned more than 15 percent each. In 1970-71, exports of cotton textiles fetched Rs. 1154 million - 7.5 per cent of the total exports during that year. The earnings during the next year (1971-72) were about the same but the share fell to 7.2 per cent. In 1972-73, exports went up by 38 per cent to Rs 1583 million accounting for 8 per cent of the exports. The next year 1973-74 witnessed a sharp rise of 50 per cent in exports. The percentage share rose only to 9.5 per cent because of the 26 per cent increase in overall exports during that year. Exports during the first six months of 1974-75 amounted to Rs. 1347 million indicating a rate of exports higher than the preceding year but with a percentage share of 9 per cent.

Piecegoods are still the major item accounting for 64 per cent of the export of cotton textiles. Export earnings from cotton piecegoods during 1973-74 were Rs 1538 million against Rs 851 million in the preceding year. In the first half of 1974-75 the value of exports was Rs. 710 million.

The next item in importance is apparel or ready-made garments. Here the growth in exports in recent years is much more significant. Exports amounted to Rs. 86 million during 1970-71, Rs 140 million during 1971-72, Rs 298 million in 1972-73 and Rs 404 million in 1973-74. In the first six months of 1974-75 exports amounted to as much as Rs 327 million. Thus, the share of readymade garments in the total exports under cotton textiles rose from 7.5 per cent in 1970-71 to 24 per cent in the first half of 1974-75.

Miscellaneous made-up items, such as, towels, bed covers laces etc. also show a somewhat similar trend in growth. Export earnings from these rose from Rs. 179 million in 1970-71 to Rs. 314 million in 1973-74. In the first half of 1974-75, exports were Rs. 221 million accounting for a share of about 17 per cent against 15 per cent in 1970-71.

Exports of hosiery are still small amounting to only Rs. 17.9 million in 1973-74 and Rs. 18.5 million in the first six months of 1974-75. The growth of exports in recent years is quite sharp considering that the level of exports in 1970-71 was only Rs. 2.3 million.

Export of cotton yarn have gone down in recent years. These totalled Rs. 228 million in 1972-73 and came down to Rs. 104 million in the subsequent year. This trend is in consonance with the general policy to encourage finished products rather than semi-processed goods.

Indian cotton textiles are being exported to almost all the countries in the world. The major destinations are U.K., U.S.A., East Africa, West African countries, Australia, West Asia, East European countries, Scandinavian countries and East Asian countries.

Although cotton textiles contribute substantially to India's export trade, a major part of the production

is required to meet internal consumption in the country. Production of cotton yarn in 1973 was 987 million kgs out of which 11 million kgs were exported. Production of piecegoods in the mill sector in the same year was 4154 million metres and exports were 594 million metres. The decentralised sector of the industry which includes powerlooms as well as handlooms produced 3654 million metres in 1973 and exported only 56 million metres. In other words, 14 per cent of the production in the mill sector but only 1.5 per cent of decentralised production goes for exports. Besides, apparel and miscellaneous made-up items, such as, bed sheets and towels mainly produced in the decentralised sector are also being exported in increasing quantities.

FOREIGN EXCHANGE FROM LEATHER AND MANUFACTURES

Leather has long been a major constituent of the export structure of India accounting for about 5 per cent of all exports from the country. Major items falling under this head in order of their importance are East India Tanned Hides and Skins, Chrome tanned hides, finished leather, leather footwear and components and miscellaneous manufactured leather goods. Up to 1971-72, the level of exports of all varieties was around Rs. 900 million but in 1972-73 the international leather industry experienced a boom. Leather prices shot up by 200 per cent to 300 per cent with the result that actual exports of leather and leather goods earned Rs. 1864 million in 1972-73 against the anticipated earnings of Rs. 975 million only. The earnings in 1973-74 were marginally lower at Rs. 1813 million as booking of air cargo was not easily feasible from Madras during the last quarter of 1973-74.

Exports of E.I. tanned hides in 1973-74 amounted to Rs. 850 million, about 15 per cent less than the level reached in 1972-73. Chrome tanned hides did better during 1973-74 at Rs. 626 million against Rs. 520 million in the earlier years. Finished leather earned Rs. 136 million in 1973-74, again lower than the level of Rs. 200 million in the preceding year. Leather

footwear and other leather manufactures showed better results at Rs. 112 million and Rs. 66 million respectively against Rs. 103 million and Rs. 36 million in 1972-73.

These figures indicate that whereas exports of semi-processed hides have gone down marginally, leather footwear and leather manufactures have improved. This trend is in consonance with the Government of India's policy to encourage exports of finished goods where feasible rather than semi-processed items. To achieve this objective, manufacturers of semi-processed leather have been permitted to instal capacity to manufacture finished leather to the full extent of their semi-finished capacity. In order to enable small tanners of semi-process hides to switch over as quickly as possible to manufacture of finished leather, common facility centres are being set up in various States.

The footwear industry in India is mostly concentrated in the cottage sector. Most of the units are not mechanised and therefore find it difficult to meet the high standards required in overseas markets. Efforts are, therefore, being made to bring all the small units under an organisation which can organise production for exports. Some new units, both in the small and large scale sectors which are organised and fully capable of manufacturing goods in accordance with the latest designs, fashions and consumer's specifications may also be allowed to be set up. A separate organisation to organise and expand exports of finished leather and leather manufactures including footwear may also be set up as a part of this programme.

EXPORT PERFORMANCE OF SPORTS GOODS

Exports of sports goods from India in the first five months of 1974-75 (April-August 1974) earned Rs. 21 million as compared to Rs. 13 million in the corresponding period of 1973-74.

The estimated annual production of the industry is of the order of Rs. 80 million and about 70 per cent

of the production is exported. Despite keen competition in the world markets, there has been a remarkable growth in exports from India. From a mere Rs. 12 million during 1968-69, exports have gone up to about Rs. 60 million in 1973-74.

Although exports of Indian sports goods are showing a steady increase, India's share in the world market is about 1 per cent only. This seems to be the outcome of the traditional concept of sports goods in India where production is confined to a few items like foot-balls, rackets, hockey sticks, cricket bats and balls. Production of goods for other sports such as fishing, skiing, hunting, mountaineering, golf and yachting does not exist. Sports goods industry in India is concentrated in the cottage sector and consists of about 600 units of which about 500 are very small with a capital outlay of less than Rs. 10,000 each. In order to cater to world markets for such products, it would be necessary to organise the present units and set up new units to diversify production. It has been estimated that exports of Indian sports good can be raised to four times the present level after enlargement and diversification of the production base.

The important items of exports from India during 1973-74 were foot-balls, rugby-balls, foot-ball requisites, hockey sticks, tennis rackets and frames, sport nets, indoor games and equipment for outdoor games. The major markets for these goods are UK, Australia, German Federal Republic, USA, France, East Africa and Nigeria.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ON PETRO-CHEMICALS

The production turnover of M/s. Indian Petrochemicals Corporation Limited, Baroda 9, Gujarat, has saved foreign exchange to the tune of over Rs. 80 million so far. The credit for this achievement on import substitution front goes to the Aeronautics Project of the Corporation.

The total value of production of the Indian Petrochemical Complex is estimated to exceed Rs. 3000 million. The second phase of the Complex would be completed by 1976-77 and the project would attain full capacity by 1979. The DMT plant of the complex is now working at 50 per cent capacity and about 9400 tonnes of DMT were supplied to domestic consumers. The complex has sold about 5000 tonnes of orthoxylene from September 1973 to July 1974. The sales of mixed-xylenes had picked up and, so far, over 2000 tonnes have been supplied to users.

IPCL has been able to meet the entire home demand for ortho-xylene. Its present production of orthoxylene is of the order of 11,000 tonnes against the installed capacity of 21,000 tonnes. The domestic demand for product is estimated at 8000 tonnes.

The downstream units of the Complex-low density polyethylene (LDPE) plant would have a production capacity of 80,000 tonnes per annum. Low density polyethelene would be used for the production of film and for packaging of textiles, machines and chemicals. It is expected that large number of small plastic processing units would be benefitted from the LDPE plant.

The ethylene glycol plant would have a production of 20,000 tonnes per annum. This would be used in the production of polyester staple fibre and filament yarn. The polypropylene plant of the complex would have production capacity of 30,000 tonnes per annum and would be used for the production of acrylic fibres, acrylates and styrene acrylonitrile. The Acrylic Fibre plant would have capacity to produce 12,000 tonnes per annum. The plant would substitute natural wool which would be used for the production of shirtings, suitings and dress-materials. The high cis polybutadiene rubber plant would have production capacity of 20,000 tonnes per annum which would be used mainly in the manufacture of tyres. The divergent alkylate plant would have a production capacity of 30,000 tonnes per annum. The alkylate would be used for the manufacture of synthetic detergents which would substitute oil-based soaps. Production of synthetic detergents in India thus would release edible vegetable oils for human consumption. It is estimated that every tonne of alkylate produced would replace about six tonnes

of vegetable oils. This would in effect mean that IPCL would release about 180,000 tonnes of vegetable oil for domestic consumption or for export. Its indigenous production would also help save a considerable amount of foreign exchange to the extent of Rs. 150 million per annum.

At full production, about 15,000 tonnes of carbon black feedstock is expected to be produced as by-product and would meet part of the feedstock requirements of a new carbon black unit being established in the joint sector in Gujarat. Carbon black is an essential ingredient in tyres and tubes.

About 3,500 tonnes of hydrocyanic acid (HCN) would also be produced as a by-product from the acrylonitrile plant and sold entirely to a unit for the manufacture of acrylic plastics and cyanide salts. Acrylic plastics are used in special types of transparent plastics and would be of great value for the aeronautics and Defence industries.

It is estimated that the Gujarat Complex projects would, when in full production, will have an annual turnover of Rs. 2790 million.

SUGAR PRODUCTION

A REVIEW

India's total production of sugar improved to about 3.96 million tonnes during 1973-74 from 3.87 million tonnes (estimated) during 1972-73. The output, in fact, rose to this level from only 1.10 million tonnes in 1947-48, 1.11 million tonnes in 1950-51, 1.89 million tonnes in 1955-56, 3.03 million tonnes in 1960-61, 3.53 million tonnes in 1965-66 and 3.74 million tonnes in 1970-71, according to the Indian Sugar Mills Association, New Delhi.

During 1973-74, total sugarcane acreage in India was of the order of 2.55 million hectares as against 2.48 million hectares in 1972-72 (provisional). In fact, during 1965-66, the area under sugarcane was the maximum at 2.84 million hectares. During 1950-51, the area under cultivation was only 1.71 million hectares. Uttar Pradesh was the main sugarcane growing state which accounted for 1.47 million hectares in the

total acreage of sugarcane in 1973-74. Among other states, Bihar accounted for 0.15 million hectares, Maharashtra 0.14 million hectares, Andhra Pradesh 0.13 million hectares, Haryana 0.12 million hectares, Punjab 0.11 million hectares and Mysore 0.10 million hectares. Besides these, Tamil Nadu, Gujarat, Assam, Madhya Pradesh, Orissa, Rajasthan, West Bengal, Kerala, and Pondicherry were the other states engaged in sugarcane production.

During 1972-73, over 123.96 million metric tonnes of sugarcane were produced in the country. According to the revised estimates of Statewise sugarcane production during the year, Uttar Pradesh constituted the largest sugarcane producing state having achieved a production of 58.74 million metric tonnes, followed by Maharashtra 11.92 million metric tonnes, Tamil Nadu 9.77 metric tonnes, Andhra Pradesh 9.21 million metric tonnes, Mysore 8.46 million metric tonnes, Haryana 6 million metric tonnes and Punjab 4.84 million metric tonnes.

During 1973-74, over 42.20 million tonnes of cane was crushed and 228 sugar factories were in operation while during 1972-73 over 40.40 million tonnes of cane was crushed by 227 factories. Of the total factories in operation during 1973-74 (228), U.P. had the largest number (74 factories), followed by Maharashtra (44 factories), Bihar (26 factories), Andhra Pradesh (17 factories), Tamil Nadu (16 factories), Mysore (14 factories), Gujarat (8) factories, Madhya Pradesh and Punjab (6 each), Orissa, Rajasthan, Haryana and Kerala (3 each) and Assam, Goa, Nagaland, Pondicherry and West Bengal (one each).

During 1972-73, yield of cane per hectare was 50 tonnes which improved to this level from 48.3 tonnes in 1970-71, 43.7 tonnes in 1965-66, 45.7 tonnes in 1960-61, 39.3 tonnes in 1955-56, 40.5 tonnes in 1950-51 and 35.40 tonnes in 1947-48.

World sugar production during 1973-74 is estimated at 80.52 million tonnes which registered an increase of 3.37 million tonnes over the production during 1972-73.

The world sugar consumption during 1973-74 was of the order of 80.63 million tons against 78.11

million tons in 1972-73, showing an increase of 2.51 million tons.

During 1973-74, India's exports of sugar, sugar preparations and honey amounted to Rs. 429.65 million as against Rs. 139 million in the preceding year. During the year, raw sugar beet and cane centrifugal sugar secured Rs. 152.25 million while refined sugar and products (excluding syrup) earned Rs. 271.85 million. In the same year, molasses, natural honey and sugar and syrup were also exported. USA, UK, Indonesia, Iran, Kuwait, South Yemen, People's Republic and Nepal were the principal buyers.

POTATO OUTPUT INCREASED

India's output of potato registered an increase of nearly 4 per cent during 1973-74 over the production turnover during the preceding year, according to the Directorate of Economics and Statistics, Ministry of Agriculture and Irrigation, Government of India. As against 4.45 million tonnes (1972-73), the output improved to 4.63 tonnes (1973-74). In respect of area under cultivation also, an increase of 5.6 per cent was recorded during the year compared to 1972-73. The area during 1973-74 enlarged to 0.53 million hectares from 0.50 million hectares.

Statewise, the increase in production during 1973-74 was recorded mainly by Uttar Pradesh, Punjab, Maharashtra, West Bengal and Gujarat. To some extent, the increase in production has been offset by the decrease, reported mainly by Assam and Himachal Pradesh.

The production of tapioca during 1973-74 was maintained more or less at the level of 1972-73. The output was of the order of 6.36 million tonnes and 6.37 million tonnes in the respective years. Kerala, the main tapioca producing State, however, registered decrease in the output during 1973-74 while Andhra Pradesh and Tamil Nadu, the other States engaged in tapioca production, have offset the decline in production by Kerala to some extent.

HINDUSTAN SHIPYARD TO BUILD ANOTHER VESSEL

Having supplied the first of the two supply vessels to Oil and Natural Gas Commission, Hindustan Shipyard has now reported to have laid the keel for the second supply vessel.

This ship is the last of the two supply vessels which Hindustan Shipyard undertook to construct for ONGC. The Shipyard secured this order on competitive tender basis and the two vessels are scheduled for delivery in October 1975 and January 1976 respectively.

This is the second of its kind to be built so far in India and by undertaking construction of these vessels, the Shipyard is equipping itself to build offshore production platforms and other associated crafts for the country. The basic design furnished by M/s. Schuller and Allan, U.S.A. was modified by Hindustan Shipyard to suit Indian conditions and rules.

This supply vessel is being built for the ONGC to transport fuel, lubricants, cement, water, drill pipes, drill bits and other materials required for conducting drilling operations from the shore-base to the ONGC's self elevated drill ships at various drilling locations.

The vessel has a cabin accommodation for 32 persons, including accommodation for 12 members who are required to be transported to and from the shore-base. All accommodation will be airconditioned.

IMPORT SUBSTITUTION IN RAW MATERIALS FOR SYNTHETIC FIBRES

Foreign exchange saving to the tune of Rs. 7 million is expected to be achieved with the commissioning of a poly-condensation plant. M/s. Nirlon Synthetic Fibre and Chemicals Ltd. has already installed the plant and machinery for the manufacture of polyester chips which were being imported into India hitherto for the manufacture of polyester yarn.

A part of the requirement of main raw materials, such as, D.M.T. and Ethylene Glycol is also expected to be available indigenously.

India's man-made fibre industry is making steady progress notwithstanding various production constraints including shortage of raw materials. The targetted capacity during the Fourth Plan in respect of a variety of man-made fibres was : rayon staple fibre 90 million kgs., rayon filament yarn 64 million kgs., acetate rayon filament yarn 9 million kgs., nylon filament yarn fibre 19 million kgs., polyester filament yarn fibre 12 million kgs. and acrylic fibre 12 million kgs.

During 1973, varietywise production of man-made fibres in staple fibre field was : viscose staple fibre 61.87 million kgs., Acetate staple fibre 0.57 million kgs. and polyester staple fibre 11.54 million kgs. In the filament yarn sector, the production during the year under review was : rayon viscose 37 million kgs., acetate 1.41 million kgs. and staple fibre yarn 42.39 million kgs. Besides these, nylon filament yarn and polyester filament yarn were also produced by the industry.

NEW DEVICE FOR AMMONIA APPLICATION

The Agricultural Engineering Department of the Pantnagar University (Uttar Pradesh) is understood to have developed a new device for ammonia application which is expected to reduce the cost of soil fertilisation by about 50 per cent. The device comprises a tractor mounted ammonia applicator which injects ammonia gas to a depth of 15 to 20 cms.

It can fertilize about one hectare per hour. Except for the metering system, all other items needed for the device are indigenously made. The new device on other extensive trials has been found well suited for applying ammonia gas in standing water of puddled fields of paddy in well harrowed fields before sowing and standing row crops like sugarcane, maize and sunflower.

PRODUCTION TRENDS IN SELECTED INDUSTRIES

INDUSTRY	UNIT	1971	1972	1973
I. Basic Industries				
1. Coal, including lignite	Million tonnes	73.2	77.5	80.6
2. Sulphuric acid	'000' tonnes	1021.0	1130.0	1284.0
3. Caustic Soda	"	373.0	396.0	414.0
4. Cement	Million tonnes	14.9	15.3	15.0
5. Ammonium sulphate 'N' content	'000' tonnes	121.0	118.0	124.0
6. Steel ingots (April-March)	Million tonnes	6.3	7.0	6.6
7. Aluminium (sheet & circles)	'000' tonnes	44.5	49.9	53.4
8. Brass	"	16.6	16.5	15.4
II. Capital Goods Industries				
9. Diesel engines	Rs. million	299.0	334.0	530.0
10. Railway wagon (four-wheelers)	'000' numbers	8.9	10.2	11.9
11. Automobiles	"	90.8	89.5	97.6
12. Electric motors	'000' H. P.	2316.0	2556.0	2988.0
13. Power transformers	'000' K.V.A.	8784.0	9288.0	11808.0
14. Machine tools	Rs. million	519.0	620.0	660.0
III. Intermediate Goods Industries				
15. Cotton yarn	Million kgs.	882.00	972.00	987.00
16. Jute manufactures	Million tonnes	1.09	1.11	1.04
17. Automobile tyres	Million numbers	4.20	4.40	4.30
18. Paints and varnishes	'000' tonnes	68.00	75.00	73.00
19. Petroleum refinery products	Million tonnes	18.30	18.20	18.70
IV. Consumer goods industries				
20. Refined sugar (Oct.-Sep.)	Million tonnes	3.11	3.87	3.88
21. Tea	Million kgs.	433.00	456.00	468.00
22. Cotton cloth				
(i) Mill Sector	Million metres	3960.00	4244.00	4154.00
(ii) Decentralised Sector	"	3396.00	3784.00	3654.00
23. Footwear (Rubber)	Million pairs	43.70	43.40	38.80
24. Paper and paper boards	'000' metric tons.	779.00	784.00	772.00
25. Soaps	'000' metric tons.	320.00	298.00	210.00
26. Bicycles	Million numbers	1.93	2.25	2.54

The above figures are provisional

Source : Reserve Bank of India publication Report on Currency and Finance, 1973-74.

RECESSION IN INDIAN ECONOMY— DOUBTS UNFOUNDED

There has been some talk of recession in the Indian economy. The organised industry in the country has claimed that a recession is imminent in the economy and, in support of this claim, has drawn attention to the general fall in demand and the growing accumulation of stocks.

Recession in an economy denotes a slide-back in economic activity. It generally sets in a highly industrialised economy in which industrial activity contributes the lion's share of economic activity. The industrial sector provides the maximum employment opportunities and contributes a major share to the national income. It manifests itself at times when for a variety of reasons the demand for industrial products tapers off. Then industrial units cut back production, accumulate inventories, stock pile up and the number of unemployed swells up. When it persists over a long period, it is sometimes described as depression. The last famous depression was in the early thirties when many industrialised nations like United Kingdom and United States faced a critical period.

Indian economy is still in the process of getting industrialised. The bulk of its gross national product and the majority of the labour force are still not dependent on industrial activity. Agriculture and allied activities mainly account for the economic activity in the country. Therefore, *prima facie* any talk in terms of recession in Indian conditions is slightly misplaced.

Even assuming that there is a likelihood of recessionary trends setting in, in that part of the economy which is industrialised, the fear on close analysis will be found to be exaggerated. The earliest signs of recession will be found only in such sectors of industrial activity as involve large investments, complicated process of production and a long term anticipation in marketing and consumption. In cases where these processes are of a short duration, that is, where production, marketing and consumption can be organised without much of long-term planning, the effects of

any fall in demand cannot be so severe. In other cases where all these processes are essentially a long drawn out operation, the appearance of recession may cause a permanent damage. Therefore, one has to look into the latest production trends of such of the industries which are likely to be prone to the impact of recession. As an example, one can take finished steel, coal (including lignite), aluminium, copper, cement, caustic soda, soda ash, sugar, cotton cloth, paper and paper board and the generation of electricity as a test case. The latest trends of production of these commodities are as follows: during the respective periods, July to September 1973, January to June 1974 and July to September 1974, production of finished steel was 377,800 tonnes, 369,400 tonnes and 416,200 tonnes; Coal (including lignite), 656,000 tonnes, 708,000 tonnes and 711,300 tonnes; Aluminium, 11,900 tonnes, 8,700 tonnes and 9,300 tonnes; Copper, 958 tonnes, 1014 tonnes and 750 tonnes; Cement 1.21 million tonnes, 1.11 million tonnes and 1.2 million tonnes; Caustic Soda, 35,700 tonnes, 33,400 tonnes and 34,900 tonnes; Soda ash 35,900 tonnes, 40,600 tonnes and 42,200 tonnes; Sugar, 29,800 tonnes, 482,700 tonnes and 29,700 tonnes; Vanaspathi 345,000 quintals, 357,000 quintals and 192,000 quintals; Cotton cloth 359 million metres, 326.4 million metres and 366 million metres; Paper and paper board 59,800 tonnes, 62,600 tonnes and 68,700 tonnes; Electricity generated 5315 million kwh, 5567 million kwh and 5676 million kwh.

It will be obvious that the monthly average production in the period July-September 1974 was higher than in the January-June 1974 period as well as July-September 1973 in the case of steel, coal, soda ash, cotton cloth, paper and paper board and electricity generation. The production of sugar is related to very wide seasonal fluctuations. Nevertheless the production has remained more or less at the same level as in July-September 1973. Even here, it may be relevant to bear in mind that there has been a significant increase in the production of Khandsari.

It has been stated that the onset of recession could be noticed from the fact that the production of wagons has been affected by fall in demand. But all the units (Thirteen) in the wagon industry have

enough orders to utilise their full capacity for two more years. The outstanding orders for wagons as on April 1, 1974, amounted to 32,684 while the actual production from April to October this year was only 4998 wagons. In the whole of 1973-74, the wagon industry produced only 10,279 wagons.

Construction industry is generally supposed to be very sensitive to recessionary tendencies. An examination of the state of production in this industry also does not support the view that a recession is impending. While the average monthly production of cement was 1.28 million tonnes in July-September 1973, it declined to 1.11 million tonnes in January-June 1974. But in the period July-September 1974 (which is the period which, according to a section of opinion, witnessed the possible onset of recession) cement production again rose to 1.2 million tonnes. Similarly, the average monthly production of machine-made bricks and tiles (another major input in the construction industry) has declined from 812,000 tonnes in January-October 1973 to 800,000 tonnes in January-June 1974. But this again picked up to 931,000 tonnes in July-October 1974 and, in fact, reached a level of 1.3 million tonnes in October 1974.

An examination of the production of what can be described as durable consumer goods also establishes that there is no trend for output to decline. Even in the case of automobiles, while there has been a slight fall in the production of passenger cars, there has been a marked increase in the production of motor-cycles, scooters and mopeds.

A second firm indicator of a possible recession is the level of stocks. Available data in this connection is extremely scanty. However, even in the cases of some products for which this is available, there is no firm indication of any possible recession. For example, in the case of saleable steel of the major steel plants, the average monthly stocks were 256,000 tonnes in July-September 1974 as compared to 300,000 tonnes in the same period last year. The stocks of cotton yarn were 12.3 million kilograms in 1974 as against 19 million kgs. in 1973. In the case of cement these were 272,000 tonnes in June-August 1974 as against 293,000 tonnes in the same period in 1973.

There is no doubt that there is some accumulation of stocks in the case of cloth and some durable consumer goods such as scooters, sewing machines, electric fans and room air-conditioners. The reason for this is not far to seek. Indeed the experience of the textile industry shows what really it is. Recently many of the textile mills effected a reduction ranging from 20 to 25 per cent in their ex-mill prices. After this there has been a steep fall in the stocks of unsold cloth. It can not, therefore, be argued that the accumulation of stocks is due to the tapering off of demand.

It is well-known that during the past year and a half or so, the rate of inflation in Indian economy had reached what can be described as disturbing levels. As part of a comprehensive move to check inflation, Government had initiated since June a number of measures. These included measures to tighten credit, mobilise additional resources to the Government and thus reduce resort to deficit financing and arrest further growth of money supply in the economy. This was further backed up by very stringent measures to root out the evils of smuggling, black money, black-marketing, hoarding and profiteering.

This package of measures was designed to secure two objectives : arrest the dangerous rise in the price levels and contain inflationary forces which were getting fanned by increase in money supply and the easy availability of liberal credit. By October, the effects of these measures became visible. There was a welcome break in the spiralling of prices from the disturbing heights they had reached earlier. The pressure of excess demand in the economy was diminishing. Whereas the monthly averages of index number for September 1974 for all commodities stood at 328.9, it fell to 324.8 for October 1974 and to 320.6 for November 1974. This definite reversal of the trend accompanied by a slight fall can by no stretch of imagination be taken as anything alarming. On the contrary, the economy has been, at last coming out from the dark corridor of continuous increase in price levels and the over-powering spiral of inflation.

Even as the Government initiated these series of measures, there were critics who felt that what the Government was trying to do was to seek a monetary

solution to the problems of inflation. They felt that confirming oneself to the management of demand through monetary and credit measures would not provide a complete answer to the situation. But even before the Government undertook the monetary and fiscal measures, they had set in motion a detailed programme to improve the utilisation of capacity and performance in many vital sectors such as power, coal, transport and engineering industries.

During the last four months, there has been a substantial improvement in all these fields. More power and coal are now being produced. The availability of steel has improved significantly. Cement production had picked up in recent months and the railways are moving larger number of wagons. Production units in the public sector had also improved upon their uniformly good record. Side by side, the problems created by an erratic monsoon were also

being tackled. The kharif procurement had become reasonably good and was gaining momentum. The rabi crop is expected to be good. Taken along with the imports that had already been arranged, this should help the country to tide over the difficult situation. The public distribution system was handling about a million tonnes a month. The supply side of the battle against inflation was being given as much importance, if not greater, as the management of demand.

It is the combination of these two aspects of Government's policy - the management of the supply and the demand side of inflation - that is slowly and steadily producing the welcome trends. The state of things prevailing cannot, therefore, be considered as the beginning of a recession. On the contrary, this should be welcomed as the much needed stabilisation of the economy. □

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BUSES TO ETHIOPIA

The Indian Embassy in Addis Ababa has informed that five buses purchased from an Indian company by the Government-owned General Ethiopian Transport Company were formally inaugurated for service in the city of Addis Ababa. It is stated that this was for the first time that the Ethiopian company bought buses from India. The consignment was supplied by M/s. Tata Group. This is a trial order and if the buses suit the terrain of the city (Addis Abbaba), it will prove to be a breakthrough in Indian exports of buses to Ethiopia. The news about the import of these buses from India was prominently reported in the mass circulation daily of Ethiopia, 'ADDIS ZEMEN'. The only English daily newspaper, 'Ethiopian Herald' also carried the news highlighting the cost advantage of the Tata buses from India as compared to Mercedes buses which were three times costlier.

Total export earnings of Indian road motor vehicles amounted to Rs. 150.25 million in 1973-74. Of this, the export value of buses (assembled or otherwise)

totalled Rs. 19.20 million. Democratic People's Republic of Korea with an intake worth Rs. 4.92 million was the leading buyer, followed by Muscat at Rs. 2.12 million. Sri Lanka, Guyana, Arab Republic of Egypt and Yemen Arab Republic were the other major importers. Besides buses, other allied products, namely lorries and trucks constituted equally significant items of export dynamism. These were supplied abroad at Rs. 20.10 million during the year. Motor vehicle bodies, chassis and accessories were also prominent in export trade. Their export earning during the year was of the order of Rs. 83.70 million.

Besides complete vehicles, such as, trucks and tractors, the automobile industry in India is also producing a complete range of ancillaries and parts. The production in the line has shown an uptrend in recent years. The output of commercial vehicles rose to about 42,400 numbers in 1973 from 37,460 numbers in 1972 while the outturn of jeeps improved to 13,070 numbers from 12,590 numbers. Similarly, the production of scooters, motor cycles and mopeds was up at 150,003 numbers in 1973 compared to 133,500 numbers in the preceding year.

EXPORT PROGRESS BY BHARAT ELECTRONICS

M/s. Bharat Electronics Limited (Jalahalli, Bangalore), an important public sector project, is reported to have improved its export earning to the tune of Rs. 18.6 million during 1973-74 as compared to Rs. 10.6 million in 1972-73. With a view to promoting its exports to the neighbouring countries, the company, has appointed agents in Bangladesh and Nepal. The firm has developed receiving tube type and Germanium transistor type exclusively for export. Its products have been successfully marketed in UK and West Germany. It was also successful in penetrating the Australian market for the first time by supplying semi-finished receiving tubes. The company has also achieved breakthrough in the export of ceramic capacitors to USA.

During 1973-74, the value of production achieved in the Bangalore unit of the company was worth Rs. 428.20 million (equipment Rs. 278 million and components over Rs. 150 million). The company's factory at Gaziabad in Uttar Pradesh commenced production in January, 1974 and by the end of the year had an output value of about Rs. 22.5 million.

The foreign exchange content in the company's production value was of the order of 24 per cent during 1972-73. Notwithstanding the introduction of new equipment, such as, radars for the frigates, the foreign exchange content was sustained at the same percentage in the value of production during 1973-74 also. This has been possible on account of identifying indigenous sources of supply and undertaking manufacture of parts and components within the company itself.

BEL has been continuously strengthening its development and engineering divisions, both at Bangalore and Ghaziabad. Out of the total value of Rs. 428 million, nearly Rs. 99 million worth of production was of the products of the company's own design. Production worth Rs. 140 million, representing about 55 per cent of the total output value, has been subject to payment of royalties.

During 1973-74, the company took up a number of projects to meet specific requirements of users as a

measure of diversification of its development activities. Notable among these projects were items for the department of Posts and Telegraphs, such as, fully Solid State 4 GHz Wide Band Microwave Radio Relay Systems, Subscriber Monitoring Systems, Processors for Electronic Exchange etc. For the Indian Railways, a four channel equipment incorporating FDM facilities by using active filters was developed and equipment is under trial by them. New projects to meet the requirements of Indian Navy that were initiated included development of Solid State Radars in the L and S Bands, Communication Equipment in the MF, HF, VHF and UHF Bands and a number of items for the refitment/modernisation programme of the existing ships. For the Indian Space Research

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Organisation, BEL undertook the development and manufacture of a considerable number of Printed Circuit Boards for the Satellite Programme. For the Army, the firm's work was on the new range of Communication Equipment. Substantial orders have also been received for the HF Transreceiver equipment which has been accepted by the Army after extensive trials. Development projects for items like telepromoters and Magnetic Sound Amplifiers and Disc Reproducers etc. have helped the Company to meet All India Radio's requirements to a large measure.

It has been the effort of the Company to ensure that trends in technology have been fully kept in view in the development tasks. In keeping with the trends, facilities in the Component Divisions are also being established for the development and manufacture of Thick and Thin Film Circuits, Integrated Circuits, MIC Modules and so on. Of the Development work undertaken in the Component Divisions, specific mention may be made of Varicap diode and Planar switching diode for TV applications, Thick Film Module (of different types) required by users (apart from BEL itself), such as, Indian Telephone Industries, Space and Technology Centre at Trivandrum, Bhabha Atomic Research Centre, (BARC) and Telecommunication Research Centre. Development work on other components, such as, Temperature Compensated Crystal Oscillators (TCXOs), Flat Display Gas Discharge Tubes, Water cooled version of High Power Transmitting Tubes, Vacuum Capacitors etc. were also in progress during 1973-74.

In the newly established Ghaziabad Unit, significant development activity has already commenced. Development work is in progress on projects, such as, Static and Mobile Tropo equipment, Line of Sight Microwave Systems and Antennas. This Unit has been able to secure large order for a Microwave System for the Tamil Nadu Police Department which calls not only for development and production of equipment but also for complete Systems Engineering.

The Bangalore Unit of the company has been licensed to expand the production capacity of TV Picture Tubes to 200,000 tubes from the present level of 100,000. The company has also received a letter of

intent for increasing the production capacity of Ceramic Capacitors from 20 million pieces to 40 million pieces and has undertaken to export 15 million pieces of Capacitors out of this capacity.

The factory at Ghaziabad was inaugurated in early January 1974 and trial production was commenced. The factory is expected to contribute a production value of about Rs. 90 to 100 million during 1974-75.

EXPORT SUCCESS IN ELECTRICAL GOODS

M/s. Philips India Ltd., (Philip House, 7 Justice Chandra Madhav Road, Calcutta), engaged in manufacture of a variety of electric lamps, lighting fittings, radios, transistors and a number of other similar products has achieved a major breakthrough in the export field in 1974. By the end of November 1974, the firm was able to surpass its export target for the entire year fixed at Rs. 30 million. For the entire year, the firm's exports are likely to attain a level of Rs. 35 million, registering nearly a three-fold increase over its exports at Rs. 12 million in the preceding year (1973). It has succeeded in despatch of over 200,000 fluorescent tubes to Hong Kong as part of a major order.

Recently, the firm has also entered the export field for welding electrodes with its securing an export order from Arab Republic of Egypt for 250 tonnes of welding electrodes valued at over Rs. 1 million. A part of the consignment is reported to have been despatched in fulfilment of the order which is likely to result in substantial orders during 1975 as well.

Besides welding electrodes, electric lamps, tubes and lighting fittings, the export range of the firm included radio receivers, radio kits, public address systems and mobile amplifiers during 1974.

In addition to direct earning of foreign exchange, the firm's effort in import substitution by way of production of lamp components at its Kalwa factory is

reported to have resulted in an annual saving of over Rs. 35 million in foreign exchange.

The diversified production profile of M/s. Philips India includes incandescent, fluorescent, mercury and sodium lamps; light fittings and accessories, radios, public address equipment, hearing aids, water heaters, television and telecommunication equipment, radio components, electronic tubes and transistors, electronic measuring process and quality control equipment, X-ray, electro medical, hospital and dental equipment. Recently, the firm has also taken over the production of Halogen lamps as well.

India's exports of electric lamps including fluorescent tubes totalled Rs. 4.46 million in 1973-74 against nearly Rs. 3.80 million in the preceding year. Of the total export realisation in the line during 1973-74, fluorescent tube lamps alone earned Rs. 1.84 million. Hong Kong, Bangladesh, Iran, Czechoslovakia and Nigeria were the major buying countries. Other bulbs supplied abroad included mercury vapour lamps and other electric discharge lamps as also automobile bulbs, gas-filled electric bulbs and incandescent glow lamps. The share of fluorescent tube lamp parts was about Rs. 1.25 million. Abu Dhabi, Dubai, Kenya, Kuwait, Muscat and Nigeria being the major export destinations.

SUCCESS IN TOBACCO EXPORT

India's export trade in tobacco and tobacco manufactures amounted to Rs. 709.15 million during 1973-74 as against Rs. 638.70 million during 1972-73. Of the total exports during 1973-74, unmanufactured tobacco secured Rs. 684.15 million against Rs. 610.70 million in 1972-73 while tobacco manufactures earned Rs. 25 million against Rs. 28 million.

During 1973-74, USSR, UK, Bangladesh, Japan, Ireland and Nepal were the major importers of unmanufactured tobacco while USSR, Saudi Arabia, Sudan, Nepal, Kuwait and USA were the significant destinations for tobacco manufactures.

M/s. India Tobacco Company Ltd. (37, Chowringhee Road, Calcutta) has pioneered the export of manufactured cut tobacco. The company also introduced Indian cigarettes in Hungary for the first time. Besides tobacco and products, it has also developed a sizeable market for paper products (in Bangladesh), marine products and cooked and peeled shrimps, as well as fish meal in the export markets. The company's export earnings improved year after year - from Rs. 2.14 million in 1970-71 to Rs. 16.34 million in 1971-72 and Rs. 35 million in 1972-73. In terms of cigarette exports, the company's share in India's total export trade in the product was nearly 50 per cent (1972-73) while for manufactured tobacco, the company's share in the country's total export trade was over 15 per cent.

M/s. Indian Leaf Tobacco Development Company Ltd. (Guntur - Andhra Pradesh) contributes over one-fifth to India's total export trade of unmanufactured tobacco in the world market. In terms of value, its exports amounted to Rs. 127.60 million (1972-73) while total exports from India in the product in the year amounted to Rs. 610.70 million. The firm made sizeable exports to Bangladesh in the year amounting to Rs. 48 million and has made good the fall in exports to the traditional market of U.K.

M/s. Vazir Sultan Tobacco Company Ltd., has registered progress in the context of developing new non-traditional types of tobacco. The three main types are cigarette Burley, Oriental and Firecured. In addition, the firm has been conducting experiments with Maryland, Nato hybrids, particularly air-cured varieties and various cigar varieties as also filter tobacco for both domestic and export markets. The firm's export orders during 1974 are valued at over Rs. 3 million.

Another firm M/s. Navbharat Enterprise (Guntur, Andhra Pradesh) exported unmanufactured tobacco worth Rs. 111 million amounting to 19 per cent of India's total exports of the product. The firm is the largest exporter of leaf tobacco to the East European countries, particularly U.S.S.R. Besides unmanufactured tobacco, it has also exported oil cake meal extractions.

EXPORT PERFORMANCE AND POTENTIAL

TRENDS IN INDIA'S EXPORT TRADE TO MAURITIUS

There has been a consistent uptrend in India's export trade to Mauritius. The export value reached the peak of nearly Rs. 39 million during 1973-74 as compared to Rs. 19.13 million in 1972-73, Rs. 16.55 million in 1971-72, Rs. 14 million in 1970-71 and Rs. 13.34 million in 1969-70.

The principal items of exports have been cotton piecegoods, cereals and cereal preparations, dry leguminous vegetables, artsilk and synthetic fibres and spun glass, metal manufactures, electrical machinery and appliances, spices and developed cinematographic films.

Indian imports from Mauritius have been negligible. They were valued at Rs. 0.1 million during 1972-73 and Rs. 0.6 million in 1973-74. Copra has been the principal product imported.

Indian industry has evinced growing interest in the context of industrial development in Mauritius. Twelve joint industrial ventures in Mauritius have been approved by the Government of India in the fields of mosaic tiles and rolling shutters, rubber industry, jute mills, canning industry, cement plant, a hotel, textiles and readymade garments. It is felt that there is further scope for Indian collaboration in the fields of textiles, cement, fertilizers, leather manufactures, rubber goods, plastic goods and garments.

Under the Indian Technical and Economic Cooperation Programme, India has made available the services of experts to Mauritius. Technical aid is being provided by India to Mauritius in fields like civil aviation, small scale industries, electroplating and so on. India has now agreed to grant a Rs. 175 million assistance including a Rs. 100 million commercial credit to Mauritius for its Second Plan, beginning from July 1975. It also includes a Rs. 50 million loan to Mauritius, repayable over a period of 15 years. Of the

Rs. 50 million loan amount, Rs. 36 million is committed to a number of projects that were identified by the two countries in their recent meetings.

The economy of Mauritius occupies a strategic place in the Indian Ocean. India has long standing commercial and cultural ties with it. The encouraging trend of commercial and technical collaboration between the two countries, particularly in recent years, point out the potential for further cooperation between the two economies. The current visit of the Prime Minister of Mauritius to India is expected to add one more link in the chain of mutual collaboration.

TRADE PROSPECTS WITH UNITED ARAB EMIRATES

Pursuant to the recent visit of the President of United Arab Emirates to India, India's commercial and economic links are expected to be strengthened with U.A.E. (comprising Abu Dhabi, Dubai, Sharjah, Ajman, Um-al-Qawain, Fujairah and Ras al Khaimah). The visiting President has had a series of discussions with Indian authorities and identified areas of mutual cooperation in commercial, industrial and cultural sectors. A Joint Communique was issued at the end of the state visit of the U.A.E's President to India. The Communique stressed the principle of peaceful co-existence and called for the need to develop nuclear energy for exclusively peaceful purposes with a view to promoting rapid global economic development. The Communique also reaffirmed the desire of both the countries to develop closely technological and economic cooperation and called for the early implementation of the resolutions of the Sixth Special Session of the U.N. General Assembly to bring about a more just world economic order. The two sides agreed to consider participation in joint ventures among themselves as well as in third countries with a view to according greater substance to commercial, economic and technical resolutions.

India's trade with the United Arab Emirates is mostly conducted through Dubai and Abu Dhabi.

India's exports during 1973-74 to Dubai and Abu Dhabi respectively were Rs. 212 million and Rs. 34 million as against Rs. 80 million and Rs. 12.6 million respectively in 1972-73.

The major products of export to UAE have been food items, crude materials and chemicals, textiles, building materials, household equipment, non-electrical machinery, electrical apparatus and transport equipment.

Three categories, namely, food, chemicals and building materials constitute nearly two-thirds of Indian exports to Abu Dhabi while food and textile products together account for about half of Indian supplies to Dubai. The important food items supplied by India to these areas are fruits and vegetables, tea, spices and confectionery. Indian tea, particularly, is an important traditional item of export to the U.A.E. markets.

India's imports from UAE taken together were of the order of Rs. 1.23 million during 1973-74 as compared to Rs. 1.25 million in the preceding year. The major item of Indian import from UAE relates to crude petroleum and refined products. Dubai has the world's largest underwater crude oil storage tank sunk into the sea about 155 feet. Its oil revenues amount to £ 25 million per year. The production in terms of quantum is about 4 million barrels. Abu Dhabi is also located in an area where some of the world's richest oil reserves are found. Its proven reserves of oil were estimated at nearly 2600 million tonnes (1971), constituting about 3 per cent of the estimated global reserves of oil. Indeed within only a few years of commercial exploitation, Abu Dhabi has become the fifth largest oil exporter in West Asia. During 1971, the economy of Abu Dhabi produced about 45 million tonnes of oil and its oil revenues in the year were estimated at \$ 390 million.

Since the oil crisis, the question of promoting and diversifying Indian supplies to the Gulf region has been engaging the serious attention of the Government of India. Mutual exchange of views between the Indian and UAE authorities helped identifying certain products which could be supplied from India in substantial quantities to UAE. Of such commodities, Basmati rice occupied special position. The annual

demand for rice in UAE has been estimated at about 45,000 tonnes to 50,000 tonnes. Considering the low ebb of Indian supplies of this rice variety to UAE, it is expected that ample scope exists for its larger supply. The other food items in demand in the region are meat and meat preparations, fresh and preserved vegetables (particularly onions and fresh potatoes), preserved fruits, spices and piecegoods. The rising demand for these products in UAE can also be met by increased supplies from India. Abu Dhabi, which traditionally imported tea, iron and steel, spices and cotton piecegoods from India, offers vast scope for India's consumer goods, engineering items, electrical appliances, domestic equipment, power cables, diesel engines, and refrigeration equipment. Likewise, the market of Dubai which has been traditionally importing from India cotton textiles, cinematographic films, electrical machinery and apparatus, spices and chemicals offers opportunity for Indian spices, fresh fruits, builders' products and meat preparations.

In the chemicals group, hydrochloric acid and sulphuric acid, mainly used for the purpose of acidifying all petroleum as well as refineries respectively occupied a good position in the list of items imported in Abu Dhabi and Dubai. Indian chemical industry can advantageously offer these supplies. The Indian economy can also supply paints and varnishes, medicinal and pharmaceutical products, perfumery and cosmetics and so on, which have a ready market in UAE. Though small in size at present, India's export volume to UAE thus presents a picture of broad potentialities in the near future. The recent visit of UAE's President to India should indeed serve as a further link in the chain of mutual collaboration.

DEVELOPMENTS IN INDIA'S TRADE WITH LIBYA

India's export trade with Libya which was worth only Rs. 35.50 million in 1972-73 rose to the level of Rs. 50.60 million in 1973-74. India supplies to Libya jute bags, aluminium, machinery, electrical equipment and appliances, metal manufactures, readymade garments, road motor vehicles and tobacco.

In the last quarter of 1974, three important delegations from India visited the Libyan Republic with a view to exploring further means to strengthening mutual trade contacts. A high-powered oil delegation from India visited Libya in October 1974 and had fruitful discussions with Libyan Petroleum Minister and officials. The delegation arrived at an agreement with Libya to provide India with concessions for exploring oil in Libya by the Oil and Natural Gas Commission of India. It was also agreed to consider employment of the seismic and drilling apparatus of ONGC on contract basis in Libya on terms similar to those being awarded by Libya to Western countries. As regards crude supply, it was agreed that India would explore the possibility of exchanging Libyan crude for fertilizers. India had already started providing technical personnel for the oil industry of Libya in various fields and agreed to depute some more experts and technicians required for refinery, marketing and other types of work.

A Tobacco Export Promotion Delegation from India which visited Libya at the close of October 1974 also had a fruitful trip to that country. India is now exporting 25 per cent of Libya's imports of tobacco; a quantity of 555,000 kg exported during 1973-74 is likely to be doubled to one million kg. in 1974-75, according to the information available from the Indian Embassy in Tripoli.

An Indian Builders' Delegation which visited various construction sites in Tripoli and Zawia brought home the fact that there could be prospects of collaboration in various types of construction projects with Libya while already twenty Indian engineers each working in Libya Housing Ministry and Civil Works Company, the General Housing Board of Libya desired about 50 more engineers to be sent from India to help Libya in various construction fields.

INDO-AUSTRALIAN TRADE TRENDS

Indian exports to Australia during 1973-74 (July-June) totalled A\$ 53.25 million (f.o.b.) as compared to to nearly A\$ 32 million in 1972-73, according to the information received from the Consulate General of India in Sydney. The products contributing to this

66 per cent rise were textiles, textile fibres and ready-made garments, carpets, jute manufactures and footwear, chemicals and compounds, engineering goods, crude animal and vegetable materials, coffee, leather and leather manufactures, tea, mica, precious and semi-precious stones, iron and steel products and marine products. Indian supplies of castor oil have registered a decline.

It is, however, apprehended that the prospects of Indian exports during 1974-75 to Australia might not be equally encouraging although in the first four months of 1974-75 (July-October 1974), Indian exports were of the order of nearly A\$ 27 million (f.o.b.) as compared to A\$ 16 million in the corresponding period of the preceding year. The Australian Government introduced protectionist measures since May 1974 and their impact on Indian exports would be mainly in the fields of handicrafts including clothing (handlooms), carpets towelling, footwear, metalware and woodware. During 1973-74, there was an increase of 200 to 300 per cent in exports of Indian clothing and footwear to Australia. The Australian Government contended that these exports were causing market disruption. The Consulate General of India made a submission to the Australian Textile authorities that this premise in so far as clothing was concerned would not be correct and all the same, agreed to voluntary export restraints.

Regarding footwear, quotas and import licensing control was introduced in Australia in October 1974 at the overall level of imports in 1972-73 plus 30 per cent. In the process, Indian footwear exports comprising mostly Kolhapuri (Maharashtra) chappals fell sharply. In 1973-74, the footwear exports to Australia stood at about 1.5 million pairs at a value of A\$ 1.6 million. The Consulate General of India has advised the Indian exporting community to offset any reduction in the quantity of footwear exports during 1974-75 by improving the quality of export and thus reaping higher unit value realisation.

The Consulate General in Sydney informed that a competent firm of Management Consultants in Sydney has been approached to undertake a market survey under the commonwealth Fund for Technical Cooperation in respect of tea, cosmetics, toiletries, wire ropes, automobile ancillaries and accessories, bicycles

and components, cutting tools, ferrous castings and forgings, machine tools, electronic desk and automatic calculators and electric components and builders' hardware. Additionally, the Consulate General requested the Market Assistance Section of The Ministry of Overseas Trade in Canberra to assist India by conducting Market Surveys in respect of some other items of special export interest to India viz certain jute manufactures (Carpet backing and Corn Sacks), leather manufactures and footwear, textiles, sports goods, certain agricultural products (mango pulp, juices dehydrated onions and coir products, canned sardines, frozen and canned shrimps), electricals, handicrafts, precious and semi-precious stones and some engineering items and accessories. Indian exports in many of these products ought to greatly benefitted from these surveys.

Notwithstanding the protectionist measures adopted recently by the Australian Government, India's export performance to this country could be improved significantly especially in engineering goods (electrical and non-electrical), superior textiles and fashionwear, leather manufactures and superior footwear, sporting goods, chemicals and compounds, pharmaceuticals, crude arrimal vegetable materials, corn sacks, marine products, precious and semi-precious stones.

India became the 19th largest exporter to Australia in 1973-74 in terms of volume. India's share of the total imports into Australia during the year was 0.87 per cent whereas in 1972-73 it was 0.77 per cent.

Indian exports to Australia totalled A\$ 53.25 million in 1973-74 as against A\$ 31.95 million in 1972-73. Thus, the balance of trade in favour of Australia rose to over A\$ 46.05 million in 1973-74 as against nearly A\$ 5.45 million in the preceding year.

In order of importance, Australian imports from India during 1973-74 were jute goods (A\$ 10.96 million), textiles (A\$ 9.1 million), readymade garments (A\$ 6.6 million), engineering goods (A\$ 3.96 million-mostly card punchers, machine tools and steel pipes), fish and fish preparations (A\$ 2.2 million-mostly prawns), tea (A\$ 2.24 million), coffee (A\$ 1.55 million), textile fibres and their waste (A\$ 1.75 million - mostly

goat hair), carpets (A\$ 1.35 million), cashew nuts (A\$ 2 million), precious and semi-precious stones (A\$ 1.8 million), chemical elements and compounds (A\$ 0.8 million) and castor oil (A\$ 0.73 million).

An interesting piece of information relayed by the Consulate General of India in Sydney is that India's engineering exports at A\$ 3.96 million (f.o.b) in 1973-74 showed a sizeable improvement over the 1972-73 figure at A\$ 2.59 million. Machinery and transport equipment was exported to the tune of A\$ 2.14 million as against A\$ 1.54 million in the respective years. The export of iron and steel fetched A\$ 1.12 million as against A\$ 0.6 million. Export of metal manufactures also improved to A\$ 0.50 million against A\$ 0.35 million. The supply of scientific instruments and watches was valued at A\$ 143,000 as against A\$ 49,000. The total Australian imports for machinery and transport equipment were as much as A\$ 2091 million in 1973-74. In the same year, the total Australian imports of iron and steel amounted to A\$ 214 million while those of metal manufactures were A\$ 138 million and scientific instruments and watches A\$ 192 million. This comparative picture would indicate that the Indian supplies in the total import bill of Australia is indeed negligible as at present and also indicates the vast export potential in these lines.

TREND IN COIR EXPORTS

From Rs. 96.25 million during the first eight months of 1973-74 (April-November 1973), India's exports of coir and coir products improved to Rs. 108 million in the corresponding period of 1974-75, according to the Coir Board, Ernakulam, (Kerala).

While there was an increase in the foreign exchange earnings during April-November 1974 over the same period of the preceding year, the quantum of coir and coir products declined to 263,759 quintals from 290,958 quintals and this indicates a rise in the unit value realisation.

Coir mats constituted the principal item of export expansion during April-November 1974 having

secured nearly Rs. 44 million (78,428 quintals) as against Rs. 38.70 million (85,566 quintals). Despite the fact that coir yarn earned maximum foreign exchange among the coir products exported during the period, its export value came down to Rs. 46.25 million (143,654 quintals) from Rs. 47.35 million (172,112 quintals).

Among other coir products, coir mattings earned Rs. 11.20 million against Rs. 6.83 million, coir rugs and carpets over Rs. 5.37 million against Rs. 1.88 million, coir ropes Rs. 0.20 million against Rs. 0.16 million, coir fibre Rs. 0.20 million against Rs. 0.23 million, curled coir Rs. 0.77 million against Rs. 0.99 million and other sorts of coir Rs. 0.16 million against Rs. 68,420.

During the full year of 1973-74, India's export trade in coir and coir products amounted to Rs. 155.50 million compared to Rs. 149.50 million in 1972-73. Although the quantum of overseas supplies declined from 49,480 tonnes in 1972-73 to Rs. 46,690 tonnes during 1973-74, the increased export earning was due to more unit value realisation.

SHARP RISE IN CASHEW KERNEL EXPORTS

The first ten months of 1974 (January-October 1974) witnessed India's export trade in cashew kernels reaching a level of Rs. 875 million (46,568 metric tonnes) as against Rs. 623.20 million (48,731 metric tonnes) in the same period of 1973, according to the Cashew Export Promotion Council, Ernakulam. Quantumwise, the exports during the period under review declined by about 2000 tonnes but in terms of value the increase was of the order of 41.5 per cent because of higher unit value realisation. The average realisation per kilogram during January-October 1974 was Rs. 18.76 as against Rs. 12.79 in the corresponding period of 1973. During the full year of 1973, the exports amounted to Rs. 753 million.

Quantumwise intake of cashew kernels of India's major importers during January-October 1974 indicates

that USSR was the largest buyer during the period having improved its intake by 30 per cent to 23,465 metric tonnes from its earlier purchases of 18,160 metric tonnes (January-October 1973). U.S.A. the next significant market, however, reduced its purchases to 10,114 metric tonnes from 16,768 metric tonnes. Japan also reduced its imports to 1298 tonnes from 2613 tonnes. Australia, however, almost doubled its intake to 1668 metric tonnes from the earlier level of 845 metric tonnes. Netherlands, UK, Hong Kong, Federal Republic of Germany, German Democratic Republic and Czechoslovakia were some other countries which reduced their intake during the period under review of 1974.

Cashewnut shell liquid exports also secured increased foreign exchange during January-October 1974 as compared to the export value during the corresponding period of the last year. The exports brought in Rs. 8.35 million (3931 metric tonnes) as compared to Rs. 4.66 million (4020 metric tonnes).

USA which bought cashew shell liquid from India in insignificant quantity (406 metric tonnes) during January-October 1973, increased its intake sharply to 1063 metric tonnes during the period in 1974 while UK which imported in all 1986 metric tonnes last year reduced its purchases to 1192 metric tonnes. Japan also purchased less at 969 metric tonnes as against 1210 metric tonnes. Among others, Rumania and Spain were prominent buyers.

Availability of raw cashew nuts in the world during 1974 has been estimated at 485,000 long tons. During the year, next to Portuguese East Africa and Tanzania which accounted for 210,000 long tons and 135,000 long tons respectively, India occupied third place at 80,000 long tons, followed by Brazil 30,000 long tons, Kenya 25,000 long tons and Malagasy Republic and other Africa 5000 tons. The world sale of cashews till mid-October 1974 is estimated at 3.47 million cases.

The Cashew Corporation of India has decided to float a joint stock company to raise cashew plantation in India. The Corporation will have controlling interest in the joint sector project. The Central

Government, Cashew exporters and interested State Governments will have share participation in the project. According to the project, in the first phase, plantation would be raised to about 5000 hectares in Kerala in five years.

EXPORT POTENTIAL OF FINISHED LEATHER AND LEATHER MANUFACTURES

Addressing the Annual General Meeting of the Export Promotion Council for Finished Leather and Leather Manufactures (Kanpur), the Secretary of the Department of Export Production in the Ministry of Commerce, Mr. Bose Mullick suggested that a five-year perspective plan of exports be evolved which would raise the present level of export of these products at Rs. 2050 million per annum to Rs. 4500 million by the terminal year of the Fifth Five-Year Plan period.

The Export Promotion Council for Finished Leather and Leather Manufactures which was set up in 1963 lays emphasis on the export of non-traditional items of leather, namely, finished leather and leather manufactures including footwear. The bulk of leather exports from India continued to be in the form of semi-processed hides and skins over the past decade. The Government of India have restricted the export of semi-processed hides and skins with a view to improving the share of non-traditional varieties of leather in the export trade. But as an adequate infra-structure for the conversion of semi-finished leather into finished leather and leather goods is not yet available in the Indian economy, further restrictions could not be imposed on the overseas supply of semi-processed hides and skins.

The export of semi-processed hides and skins has registered a declining trend in recent years owing to international conditions particularly because of the fall in demand in countries like Italy and U.K. All the same, the fact that Indian goat and sheep skins are well known for their quality the world over, is undisputed.

Also the Government's stand to encourage export of leather in finished form rather than in semi-finished forms remains valid.

Referring to the export target of Rs. 2050 million for the current year, the Export Production Secretary stated that raw hides and skins markets have been falling rather steeply by over 50 per cent in recent times. As a result, the competitive attractiveness of tanned leather from India also appeared to have lessened. The unit value realisation might be less and thus the total export figure might register a decline for the year 1974-75. This trend was apparent from the fact that during April-August 1974, the export value was about Rs. 800 million as against Rs. 1030 million in the corresponding period of the previous year. The Indian export community in the field, the Secretary stated, should take advantage of the situation and resort to increased export of finished leather, footwear and leather manufactures. To be able to achieve the export target of Rs. 2050 million, the industry could supply more of shoe-component, shoes and leather manufactures.

TOWARDS PROMOTION OF MACHINE TOOL EXPORTS

M/s. Hindustan Machine Tools Ltd. in India's public sector, accounting for the bulk of machine tool exports from the country, has recently floated a subsidiary, M/s. HMT (International) Ltd. with headquarters at Luxembourg and branches at Chicago and Sydney.

The new company will cover the export operations of HMT as also would handle agencies for such exporters that would like to be associated with it. It is hoped that the new company would be in a position to push up the share of HMT's exports in its total turnover to nearly 25 per cent within the next five years.

During 1973-74, HMT's exports amounted to Rs. 25.20 million. Its exports during the next three

years are estimated to go up to a level of Rs. 120 million per annum. Its annual production turnover is estimated to reach the Rs. 1000 million mark in the next five years.

India's machine tool industry achieved export turnover of a value of nearly Rs. 37 million (estimated) during 1973-74 against Rs. 21 million 1972-73. The exports rose to this level from only Rs. 7.5 million in 1965-66. During 1973-74, total output of the industry was of the order of Rs. 640 million (estimated) as against Rs. 527 million in 1972-73. The industry's production capacity was of the order of Rs. 900 million in 1973-74.

TURNKEY PROJECTS FOR RAILWAYS AND INDUSTRIAL PROCESS PLANTS

The Projects and Equipment Corporation of India (PEC), a Government Undertaking and a subsidiary of the State Trading Corporation (STC) undertakes turnkey projects for railways as also for all industrial process plants, besides export of all types of railway and engineering equipment. The Engineering Division of the Corporation facilitates the export of engineering products of India the world over and also sets up joint collaboration ventures and undertakes turnkey projects for cement plants, electrical sub-stations, power projects, sugar factories, textile mills, chemical and fertilizer plants, refineries, engineering units, manufacturing machine tools, diesel engines and pumps and compressors. The variety of products which the Engineering Division of PEC exports, ranges from hand tools to sophisticated machine tools, fractional horse power electrical motors to high tension equipment such as, transformers and switchgears.

The Indian railway equipment industry produces a variety of equipment the export of which is handled exclusively by PEC. Through the Corporation all types of railway equipment, diesel and electric locomotives, freight wagons, passenger cars, signalling and

telecommunication equipment, track material, bridges and structurals are available for export to meet the exacting requirements of overseas customers. India has exported rolling stock to several countries in the world including Poland, Hungary, Yugoslavia, Sudan, East Africa, Zambia, Nigeria, Iran, Sri Lanka, Burma, Thailand, Taiwan, Malaysia, Philippines and South Korea. The turnkey projects for the construction of railway lines which PEC can undertake successfully include feasibility railway line surveys, drawing plants and specifications, supply of materials, supervision of work, supply of locomotives, rolling stock, rolls and accessories, signalling equipment, projects and structurals and so on.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

NEW GRAM STRAIN EVOLVED

The variety approval committee of the Punjab Agricultural University has recently approved a new variety of kabuli gram-'L-550' for general cultivation in the state under irrigated conditions except in the sub-mountain areas. It may be grown on all types of soil excluding alkaline and water-logged lands. It gives over 30 percent more yield than the earlier variety of C-104. The yield of the new variety is 1589 kg. per hectare against 1168 kg. of C-104, which was released as far back as 1960.

The main feature of the new variety which is a cross between C-104 and NP 12 is that it is very early in flowering and maturity. Though it is also susceptible to gram blight and gram wilt diseases, the magnitude of susceptibility is less. No serious damage from any insect pest to this variety has been noticed.

The crop needs only two irrigations, one before sowing and the other at the end of December or beginning of January. The crop could be sown even in the later part of December.

COIR AS INSULATING MATERIAL FOR ACOUSTIC CONTROL

The term acoustics in building practice refers to hearing conditions in auditoria. It is concerned with the perfection of unwanted sound and elimination of echo in halls, theatres, broadcasting studios, churches, offices etc. Since bad acoustics are due to the confusion resulting from the clashing of incident sound waves from the source and the reflecting sound waves from hard surfaces of the auditoria, careful use of sound absorbing materials is resorted to in building practice to improve the hearing conditions. Porous materials are ideal for acoustic control and selection of the right material requires consideration of many factors: density, rigidity, tightness of construction, the size and shape of the interior spaces, the location and type of noise sources, etc. In addition to the sound absorbing properties, acoustical building materials must possess the other characteristics which are associated with satisfactory building materials. Resistance to moisture and condensation and also attack by fungi or vermin is also important. The materials should be so fabricated that they could be easily installed and maintained.

In recent times, the use of closely woven coir mattings has been attempted for purposes of acoustic control. The process consists in fixing the matting in a fairly stretched condition over light wooden frames made out of reapers (2" broad 1" thick) using nails so as to envelop the frame tightly on all sides, entrapping a layer of air in between the layers of matting. The seams or selvages of two adjacent pieces of mattings are stitched together using suitable binding twine or cord so that the stitches merge with the fabric material to the visual look. The fixture is then suitably put in position close to the ceiling with supports wherever necessary. One of the advantages of coir false ceiling for acoustic control is that these serve as materials for heat insulation as well. The panels could be spray painted to suit the colour scheme, in keeping with the decor of the premises. This is an important field which should be exploited for finding newer uses of coir, striking a break-through from traditional lines.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

INDIGENOUS MANUFACTURE OF ETHANOLAMINES

A step forward towards import substitution has recently been taken with the manufacture of ethanolamines by M/s. Amines and Plasticisers Ltd. ('D' Building, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Bombay). Ethanolamine is consumed in substantial quantities by a number of major industries, such as, fertilizers, textiles, pharmaceuticals, steel, cement, leather. It is also used in the manufacture of dyes, paints, detergents, soaps and cosmetics. Till the company started commercial production, practically the entire demand for these chemicals in India was met through import. The manufacture of the products by the Bombay firm would thus lead to considerable saving in the import bill for the item besides promoting industrial sophistication in the country.

The Rs. 22.50 million ethanolamines project of the Bombay firm is located at Thana near Bombay. During the current year, the firm is expected to produce 1500 tonnes of these chemicals, attaining full capacity of 3000 tonnes by 1976-77. During the first year of its production, ending September 1974, the firm's sales amounted to Rs. 13.70 million. Besides, it also succeeded in earning Rs. 0.75 million in foreign exchange by supplying a consignment of 40 tonnes of monethanolamine to a Middle East country.

Amines and Plasticisers Ltd., is also manufacturing diethyl phthalate, a widely used phthalate plasticiser for the processing of PVC to manufacture products like PVC insulated cables, leather cloth, footwear, film and sheets for packaging. Its Research and Development wing is reported to be actively engaged in developing other chemicals to be covered within its production profile.

India's chemical industry is progressively achieving greater indigenisation in recent years. In its efforts towards diversification, the industry is also endeavouring to establish new ranges of chemicals which were till lately procured entirely through import. The present

production range includes fertilizers, organic and inorganic chemicals, drugs and pharmaceuticals, dye intermediates, petrochemicals, insecticides, plastics, industrial gases and industrial explosives.

The industry has also achieved significant strides in the export field as well. Total exports of chemicals from India amounted to nearly Rs. 570 million in 1973-74 against Rs. 403.65 million in 1972-73. Even advanced countries like USSR, USA, Federal Republic of Germany and Japan are among importers for chemicals made in India.

INDO-IRANIAN SHIPPING CORPORATION

The Irano-Hind Shipping company, a joint shipping company of M/s. Aryan National Shipping Lines of Iran and M/s. Shipping Corporation of India to be set up in Iran is expected to boost trade between the two countries to a sizeable extent.

The new shipping company is expected not only to organise and operate shipping service between India and Iran but also to ports in East Asia as also on other routes to be mutually agreed upon by the respective firms in both the countries.

As per the financial details available, it is stated that this joint shipping company will have initial capital of U.S. \$ one million. It will acquire in the first stage a 500,000 DWT shipping capacity. While Aryan National Shipping Lines of Iran will own 51 per cent of the shares, the remaining 49 per cent will be contributed by M/s. Shipping Corporation of India.

The new venture envisages acquiring new experience for Indian Shipping personnel by participating in the national trade of Iran with third countries to some extent. The Shipping Corporation will provide consultancy and technical services for the construction of new ships and inspection of second-hand ones and techno-economic evaluation of the tonnage position, on payment of a fee. The Indian participating firm will also train Iranian nationals working in office and on ships as well. The Corporation will be appointed as general agents for the new company at Indian ports

with the right to appoint sub-agents at such ports where SCI does not have its own offices. Similar privilege will also be enjoyed by the Aryan National Shipping Lines in respect of general agency at Gulf ports.

It has been agreed that all ships acquired by the Irano-Hind Shipping Company will be entitled to tax exemption for a period of 15 years. As regards ships chartered by the joint shipping company from the Aryan National Shipping Lines, the latter will be eligible to claim tax exemption for a similar period. This concession is expected to have a favourable impact on charter rates.

With trade between Iran and India developing at a fast rate, not less than one million tonnes of cargo will be required to be removed during the next one year. Considerable difficulty is being experienced now in getting adequate shipping space. The new company will be able to provide vessels to meet the full requirements of trade. A substantial increase in the volume of trade between the two countries is envisaged as Iran's industrialisation programme picks up and trade and economic cooperation grows. The tentative plans are that before 1978 the company will buy about 25 ships of roughly 500,000 dwt. By that year, India will be exporting about 0.75 million tonnes of Kudremukh ore for Iran's steel plant near Shiraz in the ships acquired by the company. These ships will also be able to bring fertilisers, petro-chemicals and other industrial products to India.

ON INDIAN HANDICRAFTS

India's export earnings of handicrafts other than gem and jewellery stood at about Rs. 510 million during the first eight months of 1974-75 (April-November '74). In this period, exports of gem and jewellery are estimated at Rs. 640 million. Thus, the total exports of handicrafts (including gem and jewellery) were of the order of Rs. 1150 million in the period. It is expected that the total group of handicrafts (including gem and jewellery) will yield an export earning of Rs. 2000 million in 1974-75 as against Rs. 1690 million in 1973-74.

The break-up of handicraft exports in the period under review (April-November, 1974) was: woollen carpets, rugs and druggets Rs. 184 million, art metal ware Rs. 109 million, woodware Rs. 151 million, hand-printed textiles and scarves Rs. 34 million, imitation jewellery Rs. 32 million, embroidered goods Rs. 18 million, cotton carpets, rugs and durries Rs. 13 million, zari Rs. 10 million, ivory products Rs. 2 million, jewels as artware Rs. 0.4 million and miscellaneous handicrafts Rs. 63 million.

The gem and jewellery industry, one of the oldest in India, has contributed growing sums of foreign exchange through its export trade. The exports picked up from Rs. 114 million in 1963-64 to Rs. 1086 million in 1973-74. Of the export value in 1973-74, the contribution of diamonds was of the order of Rs. 862 million, precious and semi-precious stones Rs. 190 million, jewellery Rs. 26 million, pearls Rs. 7 million and synthetic stones Rs. 0.4 million. Thus, diamonds account for more than 80 per cent of the export trade while precious and semi-precious stones contribute nearly 15 per cent. Major markets to which Indian diamonds have been exported are U.S.A., Japan, Belgium, Hong Kong and Netherlands.

The Federal Republic of Germany is India's leading buyer for carpets and U.S.A. occupies the prime position for practically all other items. Other important countries to which handicrafts are exported from India in bulk are Switzerland, Netherlands, France, Canada and Singapore.

During 1973-74, the export contribution of woollen carpets and rugs and druggets was of the order of Rs. 235 million while the art metalware netted about Rs. 106 million, woodware Rs. 57 million, handprinted textiles and scarves Rs. 49 million, imitation jewellery about Rs. 23 million and embroidered goods nearly Rs. 24 million, cotton carpets and druggets Rs. 14 million, zari products Rs. 10 million, shawls as artware Rs. 2.8 million, ivory products Rs. 2.7 million and miscellaneous handicrafts Rs. 79 million.

Though it would be difficult to arrive at an accurate picture of the value of handicraft production in the country, it is estimated that the output (including gem and jewellery) was in the neighbourhood of Rs. 4000 million in 1973-74. This production value is considered to have registered substantial improvement over that in the preceding year. In 1969-70, the estimated production was of the value of Rs. 3500 million.

The All India Handicrafts Board which is the Central Authority for rendering developmental services to the handicrafts sector in India, organises programmes including modernisation of manufacturing processes and supply of important tools and equipment, research and evaluation of improved designs, training in skills, and marketing and so on.

Several measures have been taken by the Government of India from time to time to boost handicraft exports from India, such as, import replenishment against exports, airfreight subsidy on exports of all types of handicrafts for all destinations in Western Europe and U.S.A., recognition of carpets as non-traditional export items for the purpose of blanket release of foreign exchange and the facility of quality control for export of carpets.

As the handicrafts industry is a dispersed sector, it would not be possible to arrive at an accurate picture of employment, but it is estimated that the industry provides jobs to nearly 1.2 million artisans. The employment potential by the end of the Fifth Five-Year Plan reveals that the nearly 2 million artisans would be gainfully employed in the sector.

Keeping in view the aspects of employment potential, low investments and availability of age-old skills in diverse crafts and also considering the ever growing overseas demand potential, the handicraft industry receives substantial encouragement from the Government of India. □

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SPORTS GOODS EARN MORE

From a mere Rs. 12 million during 1968-69, India's exports of sports goods rose to about Rs. 60 million in 1973-74. The export range during the year included footballs and requisites, hockey sticks, rugby balls, tennis rackets and frames, sport nets and indoor games. U.K., Australia, Federal Republic of Germany, USA, France, East African countries and Nigeria were the principal buyers. During the current financial year, the export value of these goods is expected to be more encouraging. Even during the first five months of the year (April-August 1974), the exports were valued at Rs. 21 million as compared to Rs. 13 million in the corresponding period of the preceding year.

Contributing to the growing export performance of India's sports goods industry, M/s. F. C. Sondhi and Company (India) Private Limited (Basti Sheikh Road, Jullunder), one of the prominent manufacturers in the line, have succeeded in stepping up their exports from barely Rs. 0.5 million a couple of years back to a sizeable amount of Rs. 5.25 million per annum now.

The firm claims to be the second largest manufacturer and exporter of sports goods in India. It is stated that the Jullunder firm today owns one of the most modern sports goods manufacturing factories in Asia. The daily production of the firm broadly includes 300 leather balls, 100 cricket and hockey balls, 100 different types of rackets and about 200 to 300 gloves of different varieties. In its endeavour to augment production, the firm is presently engaged in setting up another factory in Jullunder. It adheres to strict quality control to ensure high quality products to its customers both at home and abroad.

Sports goods production in India is estimated at Rs. 80 million every year. Of this, about 70 per cent is sold to overseas markets including developed countries.

INDIAN TELEPHONE EQUIPMENT POPULAR ABROAD

Indian Telephone Industries (ITI) (Dooravani-nagar, Bangalore the) public sector undertaking engaged

in the manufacture of telephonic, telegraphic equipment and ancillaries is poised to achieve appreciable export success during the current financial year. Their exports during the first three quarters of the year (April-December 1974) added upto Rs. 6.20 million as against Rs. 4.37 million for the entire preceding year. The firm is confident of achieving the export target for the year fixed at Rs. 10 million. Orders currently on hand for execution by the Company during 1974-75 and 1975-76 amounted to Rs. 21.30 million. Earlier, ITI's foreign exchange earning during 1972-73 was of the order of Rs. 4.10 million while a year before, it totalled Rs. 3.20 million.

Though ITI entered the export field only a decade back in 1962-63, the equipment made by the unit is today sought for by over 40 countries including U.K. and Australia. During the short period of October-December 1974 alone, their supplies were directed to about 20 countries including Australia, Bhutan, Burma, Greece, Jordan, Kenya, Libya, Malaysia, Nepal, Singapore, South Vietnam, Sri Lanka, South Yemen People's Republic, Tanzania, U. K., Uganda and Zambia. The export range covered different items of private automatic exchanges and auto-desk telephones, magneto desk telephones with hand generator, telephone and telephone exchange spares, maintenance spare parts and tools for crossbar switching equipment, selector mechanism and rack type main distribution frames besides a host of other accessories and equipment.

Alongwith progress in exports, the production value of ITI has also witnessed considerable improvement. During the first three quarters of 1974-75, it was estimated at nearly Rs. 288.50 million compared to Rs. 206 million in the corresponding period of the preceding year.

Set up way back in 1947, ITI's Bangalore unit has four Divisions. It manufactures automatic telephone exchanges of the Strowger type of about 150,000 lines and automatic exchanges of Crossbar type of about 100,000 lines per year. In addition, about 250,000 telephone instruments and long distance transmission equipment of various types are also made. These include equipment for providing large number of telephone and telegraph circuits over open wires,

coaxial cables, microwave radio and for satellite communication. It has also been manufacturing a wide range of electronic, measuring and testing instruments and the equipment to meet the special needs of Railways, Defence and Electricity Boards.

Besides the Bangalore unit, ITI has set up more units from its own know-how. These include the component factory at Srinagar, the transmission factory and the telephone instruments factory at Naini near Allahabad. Switching equipment factory at Rae Bareilly and a small electronic telephone exchange project at Palghat (Kerala) are also being set up by ITI. Except for some raw materials, not yet manufactured in India, most of the components used by ITI are indigenous. The import content in the total production is stated to be within 20 per cent.

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EXPORT PERFORMANCE AND POTENTIAL

TOWARDS RESTRUCTURING INTERNATIONAL DEVELOPMENT STRATEGY

"The galloping inflation, acute imbalances in the international payment system and near stagnation in the total output of many major countries have combined to create a situation of danger and uncertainty for developed and developing countries alike. The repercussions, however, for the developing countries have been obviously more severe because of their grater vulnerability to external economic impulses". This was stated by Prof. D.P. Chattopadhyaya, India's Commerce Minister in his recent address at the Seminar of the Forum of Financial Writers. He further said that though the middle of Second Development Decade had been reacted, one could not help feeling that the progress made in the implementation of the substantive provisions of the International Development Strategy adopted in 1970 had been disappointing.

Prof. Chattopadhyaya explained that in spite of the significant efforts made by the developing countries, their average rate of economic growth, as reflected in the growth rate of their real product, showed a distinct decline in the levels reached towards the end of the last decade. Whereas for the developed countries, the total national product increased at an average rate of 4.9 per cent during the first Development Decade and by 5.2 per cent from 1970 to 1973, it had declined for developing countries, outside the category of oil exporting countries, from a level of 4.6 per cent to 3.8 per cent in the corresponding period. "The inequality among nations has, therefore, become sharper and even the modest beginnings stipulated in the Strategy towards narrowing the gap in the living standards between the developed and developing countries, are not at in sight".

The Commerce Minister stated that in their Strategy for the Second Development Decade, the developed countries had undertaken a major commitment to contribute to the attainment of higher economic growth for the developing countries. For

the first time, an agreement could be reached on certain vital measures expected to impart coherence and rationality to the efforts of the international community to fashion a new world economic and social order. No doubt, the basic postulates underlying the Strategy had undergone considerable changes. However, any purposive action on the part of the developed countries in areas like elimination of tariff and non-tariff barriers to imports from developing countries were yet to be noticed. The new multilateral GATT Negotiations had also taken long to get started and the results were yet uncertain. In the meantime, certain important countries had adopted legislations which raised serious issues of policy and might erode the benefits which could flow from a possible liberalisation of the world trading structure.

Prof. Chattopadhyaya further stated that international action in respect of pricing policy, commodity arrangements on measures to improve conditions of access for products of the developing countries, had been feeble. As a consequence, the share of developing countries in the world trade had continued to deteriorate. While the share of developed countries had gone up from 68.1 per cent in 1960 to 72.5 per cent in 1973, the share of developing countries, not in the category of oil exporters, had declined from 14.8 per cent to 10.7 per cent.

The Commerce Minister said that since the adoption of the Strategy, there had been far reaching developments. The persistent inflationary pressures in the principal developed countries, the monetary instability, the growing concern for the preservation of human environment, the need to regulate the activities of the multi-national corporations and the far reaching impact of the oil crisis, therefore, require a re-assessment of the many of the principles adopted in 1970. He called for particular attention to be given to securing structural adjustments in the economies of both developed and developing countries for refashioning the flow of world trade, in consonance with changing comparative factor advantages.

Prof. Chattopadhyaya expected that the review of the procedures and programmes being currently devised by the international community in connection with the Second Development Decade Strategy would

devote itself to a practical assessment. This would require the necessary political will on the part of the developed and developing countries for adopting measures which, though in the short run would create transitional difficulties, would contribute in the long run, towards the establishment of a new and desired economic order. "It is only through understanding and cooperation based on understanding through concession and compromise that we can hope to achieve a just and fair use of world resources and can put the accumulated skill and experience of the community of nations to the service of mankind", he stated.

INDO-ZAMBIAN COMMERCIAL COOPERATION

His Excellency Dr. Kenneth David Kaunda, President of the Republic of Zambia paid a state visit to India from January 23 to 27, 1975. During this visit, the President of the Republic of Zambia and the Prime Minister of India had an extensive exchange of views on important international issues, problems of mutual interest and the development of bilateral relations in an atmosphere of friendship and confidence. These talks reflected the earnest desire of both countries to widen their bilateral cooperation in all fields. A review of the economic and technical relations between the two countries indicated that these relations were proceeding satisfactorily. In order to strengthen and diversify these relations further in the economic, commercial, scientific, technological and cultural fields, three agreements were concluded during the visit. The first agreement provided for Economic and Technical Cooperation, the second for cooperation in the Scientific and Technological fields and the third for Cultural Cooperation. A Protocol on Bilateral Cooperation was also concluded. The Zambian side also announced their decision to open a resident diplomatic Mission in Delhi at the level of High Commissioner.

Exports of Indian products to Zambia have, for some time, been going down, the actuals for 1971-72, 1972-73 and 1973-74 being Rs. 59 million, Rs. 47 million and Rs. 37 million respectively. On the other hand imports have gone up from Rs. 209 million in

1971-72 to Rs. 284 million in 1972-73 and Rs. 345 million in 1973-74 mainly because of rise in unit prices of copper, the major item of import (almost 99 per cent) from that country.

A glance at trade statistics shows that there was a decline in exports of traditional goods. Exports of jute bags to Zambia declined from Rs. 13.6 million in 1972-73 to Rs. 0.3 million in 1973-74. In case of cotton textiles, the decline was from Rs. 9.6 million in 1972-73 to Rs. 6.8 million in 1973-74. Other textiles were also down to Rs. 2.6 million in 1973-74 from Rs. 6.1 million in the preceding year. The same trend was noticed in footwear whose exports were down at Rs. 4.1 million in 1973-74 against Rs. 6.1 million in the earlier year. The position in non-traditional items was more satisfactory. Exports of non-electrical machinery improved from Rs. 0.7 million in 1972-73 to Rs. 1.9 million in 1973-74. Electrical machinery was better at Rs. 2.1 million against Rs. 1 million in the earlier year. Transport equipment exports in 1973-74 were valued at Rs. 4 million as against Rs. 1.7 million in the preceding year. This included railway vehicles (Rs. 1.2 million in 1973-74), road motor vehicles (Rs. 1.5 million in 1973-74 and Rs. 0.1 million in 1972-73) and other road vehicles (Rs. 1.3 million in 1973-74 and Rs. 1.6 million in 1972-73). Plastic goods also improved from Rs. 0.6 million in 1972-73 to Rs. 1 million in 1973-74.

The declining trend observed during the last two years has been reversed in the current year i.e. 1974-75. During the first six months i.e. April-September 1974, exports were up at Rs. 34.5 million as against only Rs. 13.2 million in the corresponding period of 1972-73. Detailed commoditywise figures for this period are not yet readily available but apparently the higher tempo of exports during the current year is accounted for by a substantial rise in exports of non-traditional items, especially engineering goods.

SHARP EXPORT INCREASE IN CHEMICALS AND ALLIED PRODUCTS

The first seven months of 1974-75 (April-October 1974) witnessed the exports of chemicals and allied products earning sizeable foreign exchange valued at

Rs. 446.85 million (estimated) as compared to Rs. 262.90 million and Rs. 231 million in the corresponding period of 1973-74 and 1972-73 respectively, according to the Chemicals and Allied Products Export Promotion Council, Calcutta.

During the complete year of 1973-74, the exports were of the order of Rs. 588 million. The revised estimate for the current year (1974-75) has been set at Rs. 714 million.

Almost all the categories of products falling under the purview of Chemicals and Allied Products Export Promotion Council registered uptrend in exports during April-October 1974 over their export earnings in the corresponding period of 1973-74 and 1972-73. For instance, crushed bones, ossein and fertilisers (including glue and gelatine) secured as much as Rs. 122.60 million as compared to Rs. 46.24 million (April-October 1973) and Rs. 34.25 million (April-October 1972). This export performance was more or less at the level during the full year of 1973-74 at Rs. 126.20 million. The export target for the full year of 1974-75 has been fixed at Rs. 140 million. Plywood and plywood products (including wooden furniture and wood and cork manufactures) constituted another significant category of export dynamism. Its export rose sharply to Rs. 45.70 million from Rs. 22.54 million and Rs. 10.10 million. During 1973-74, its total exports were of the order of Rs. 60.35 million while the export target for 1974-75 has been set at Rs. 60 million. Similar uptrend was also noticed in respect of paints, varnishes and allied products, the exports of which earned Rs. 52 million as compared to Rs. 27.40 million and Rs. 28.94 million. This category had secured Rs. 50.27 million during the full year of 1973-74. The export target for the current financial year has been fixed at Rs. 70 million.

Besides, automobile tyres and tubes secured Rs. 56.55 million as against Rs. 36.15 million and Rs. 45.62 million (exports in 1973-74 were at Rs. 67.47 million while the export target for 1974-75 is fixed at Rs. 110.80 million), rubber manufactured products Rs. 20 million against Rs. 12.36 million and Rs. 7.66 million (Rs. 31.60 million and Rs. 40 million), footwear (rubber and canvas with rubber sole) Rs. 21.60 million against Rs. 14 million and Rs. 17.45 million (Rs. 29.37 million and Rs. 45 million), ceramics and

allied products Rs. 16.88 million against Rs. 10 million and Rs. 6.80 million (Rs. 24 million and Rs. 38.50 million), paper and paper board Rs. 28.60 million as against Rs. 19.50 million and Rs. 14.32 million (Rs. 46.60 million and Rs. 40 million) and glass and glassware Rs. 23.35 million against Rs. 22.60 million and Rs. 19.95 million (Rs. 47.60 million and Rs. 50 million).

Apart from the above, processed minerals and refractories, paper products and books and publications were the other categories which earned increased foreign exchange during April-October 1974 over their exports during the corresponding period of 1973 and 1972.

KEEN DEMAND FOR INDIAN COTTON TEXTILES ABROAD

India's exports of cotton textiles secured increased foreign exchange at Rs. 2256.87 million during first eight months (April-November 1974) of 1974-75 which registered a sharp increase over the exports during the corresponding period of 1973-74 (April-November 1973) at Rs. 1504.15 million, according to the Cotton Textiles Export Promotion Council, Bombay. Interestingly, this export performance exceeded the target set for complete year of 1974-75 at Rs. 2250 million. On the basis of exports achieved during April-November 1974, total exports during the full year of 1974-75 are anticipated at approximately Rs. 3076.85 million. Of the total export value anticipated for 1974-75 (Rs. 3076.87 million), cotton piecegoods are anticipated at Rs. 1510.95 million, cotton apparel Rs. 810.75 million, cotton yarn Rs. 159.30 million, cotton hosiery Rs. 43.96 million and cotton made-ups Rs. 551.92 million.

In the total export realisation during April-November 1974, cotton piecegoods contributed the bulk at Rs. 1130.95 million as against Rs. 939.25 million (April-November 1973). The target for the full year of 1974-75 for the item was set at Rs. 1330 million. Cotton apparel, the next significant item active in exports in terms of value realisation, brought in increased foreign exchange at Rs. 590.75 million as

against Rs. 304.40 million. The target for apparel for 1974-75 was fixed at Rs. 440 million. Cotton yarn almost doubled its offtake during April-November 1974 to Rs. 129.30 million from Rs. 63.25 million in the corresponding period of 1973-74. The export target for cotton yarn was set at Rs. 170 million. Similar sharp uptrend was also witnessed in the exports of cotton hosiery and other cotton manufactures during April-November 1974 when the exports rose respectively to Rs. 33.96 million and Rs. 371.92 million from their earlier level of Rs. 11.98 million and Rs. 185.30 million. The export target in respect of both the categories of items for 1974-75 were fixed respectively at Rs. 15 million and Rs. 295 million.

EXPORT POSITION OF INDIAN TOBACCO

Foreign exchange valued at Rs. 701.27 million was secured by India's unmanufactured tobacco during the first three quarters of 1974-75 (April-December 1974). Tobacco products brought in another Rs. 6 million during the same period, according to the Tobacco Export Promotion Council, Madras. In terms of quantity, about 65,555 tonnes of unmanufactured tobacco was supplied to over three dozen overseas markets during the period under review.

United Kingdom continued to be the largest buyer for Indian unmanufactured tobacco at Rs. 322.45 million (26,520 tonnes) and accounted for the lion's share of Indian overseas supplies. U.S.S.R., the second significant market imported worth nearly Rs. 164 million (10,495 tonnes) followed by Japan at Rs. 63.40 million (4749 tonnes), Irish Republic at Rs. 20.82 million (1453 tonnes), Netherlands Rs. 16.96 million (2218 tonnes), Italy Rs. 16.72 million (1547 tonnes), Belgium Rs. 16.44 million (1833 tonnes), Indonesia Rs. 13.20 million (1772 tonnes) and Libya nearly Rs. 9 million. Among others, Zaire Republic, Somalia, Malaysia, Bulgaria, France, Czechoslovakia, Saudi Arabia, Sri Lanka and Arab Republic of Egypt were prominent.

Among tobacco products exported during the period, hookah tobacco earned about half of the total export earnings at Rs. 3 million, bidis Rs. 1.22 million and cigarettes Rs. 1.21 million.

During the full preceding year of 1973-74, India's export trade in tobacco and tobacco products had earned Rs. 709 million as against Rs. 638.70 million during 1972-73. Of this total earning during 1973-74, unmanufactured tobacco secured Rs. 684 million while the share of tobacco products was of the order of Rs. 25 million. During 1972-73, the shares of unmanufactured tobacco and tobacco products respectively were of the order of Rs. 610.70 million and Rs. 28 million.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

REVIEW OF INDIA'S INDUSTRIAL PRODUCTION

The year 1974 witnessed an improvement in India's industrial production after a period of stagnation during the previous year according to the information received from the Ministry of Industry and Civil Supplies. Industrial production during 1973-74 had recorded only a marginal increase over 1972-73 as against an increase of 5.3 per cent during the latter year over 1971-72. The set back received during 1973-74 was partly on account of power shortage, although transport bottlenecks affecting the movement of essential inputs like coal, iron and steel, disturbed industrial relations in certain industries and a temporary flagging of demand in certain other industries also acted as contributory factors. The general index of industrial production which is available for January to June 1974 has shown a rise of 1.7 per cent compared with the corresponding period of 1973. The growth rate for the first quarter of the financial year 1974-75 (April-June) amounts to 3.2 per cent over the corresponding period of the last year.

Industry-wise production figures available upto April-November 1974 have shown a distinct improvement

in the production of critical items like newsprint, saleable steel in the main steel plants, and coal. Similarly significant achievements have been recorded in other nodal sectors like industrial machinery, scooters and commercial vehicles, machine tools and tractors. In some categories, increases had been over 30 per cent while in some others, increases have been steadily between 10 to 15 per cent.

Among the public sector undertakings, the heavy engineering units have shown a significant growth in production. During April-December 1974, their production rose to Rs. 3590 million, 91 per cent of the target compared to Rs. 2550 million during the corresponding period last year, i.e. an increase of 41 per cent. Units deserving of special mention are Bharat Heavy Electricals (+33 per cent), Hindustan Machine Tools (+65 per cent), Machine Tools Corporation (+88 per cent), Bharat Heavy Plates & Vessels (+35 per cent), Heavy Engineering Corporation (+28 per cent), Jessops (+56 per cent) and Richardson & Cruddas (+26 per cent). Based on their performance so far, it is expected that they would achieve their target of Rs. 5500 million set for the year (1973-74). These units had incurred a loss of Rs. 90 million in 1972-73 against which they earned a profit of Rs. 130 million in 1973-74 i.e. a turn around of Rs. 220 million. The expectation is that this year (1974-75), they will make a profit of Rs. 350 million.

The extent to which these public sector units are poised to make their contribution can be illustrated by the fact that out of an installed generating capacity of 19,000 MW at the end of 1973-74, the share of indigenous equipment was only a mere 1140 MW or 6 per cent. As against this, out of 16,000 MW of additional generating capacity to be added during the current Plan period, the share of indigenous supplies will be 13,500 MW or 85 per cent. In the case of steel industry, whereas the three-million tonne plants were set up mainly on the basis of imports of plant and machinery and even structures, Bokaro I Stage is now nearing completion with the plant and machinery largely supplied by the Heavy Engineering Corporation and to some extent by other public sector units. In fact, in the case of Bhilai about 15 years ago, 84 per cent of the equipment was imported. In the case of Bokaro, now the position is just the reverse and 84

per cent of the equipment is indigenous. This is a measure of the self-reliance that Indian economy has achieved in the last 15 years. Similarly, Mining & Allied Machinery Corporation (MAMC) which was till recently classified as a sick unit is now a viable unit engaged in meeting the growing requirement of mining equipment for the fast development of mines and for rapidly increasing coal production. It is expected that out of a total requirement of about Rs. 3180 million of coal mining equipment in 1974-75, as much about Rs. 2290 million worth of equipment will be manufactured within the country. Some of the other public sector units which have done well are Hindustan Photo Films (+114 per cent), Hindustan Cables (+51 per cent) and NEPA (+23 per cent).

While taking up the production of scooters, tractors and watches in a substantial way in the public sector units, it has also been simultaneously decided to do away with repetitive import of technology in these areas, the arrangement being that the technology and the supply of critical sub-assemblies and parts will be made by M/s. Scooters India and Hindustan Machine Tools. In other words, horizontal transfer of technology wherever possible, has been accepted as a matter of general policy. With a view to streamlining industrial approval procedure, the Government took certain decisions which came into force from November 1 1973. A unified Secretariat for Industrial Approvals (SIA) to deal with industrial licensing, foreign collaboration, approvals and capital goods clearance has been set up on November 1, 1973. It is functioning under the overall supervision and guidance of a high level inter-Ministerial Committee known as Projects Approval Board. The object of the reform is to issue clearances within the prescribed time limits. It has been laid down that the general time limit for all cases would be 90 days. Wherever simultaneous applications are made, the objective is to give simultaneous clearance in 120 days, whereas a clearance for cases coming under the MRTP (Monopolies and Restrictive Trade Practices) Act, the time limit is 150 days.

During the first year of its existence (November 1973 to October 1974), the SIA has been able to reduce the time lag in the disposal of applications for licences. The number of letters of intent granted improved

from 877 in 1972 to 899 in 1973 and 1014 during January to October, 1974. The number of industrial licences issued also improved from 563 in 1972 to 596 in 1973 and 882 in the first ten months of 1974. Out of the total letters of intent and industrial licences, about 62 per cent and 38 per cent respectively were for new undertakings. Number of the letters of intent and industrial licences granted for backward areas also recorded an increase. Attempts are being made to make further improvements in the disposal of industrial approval applications and a study group has been appointed to go into this subject. In respect of capital goods clearances also, there has been a significant improvement in the rate of disposal as well as the time taken.

Efforts are being made to remove licensing restrictions which are coming in the way of fuller utilization of capacity. For example, manufacturers of machine tools, industrial machinery and electric furnace, units have been allowed to diversify their production within their licensed capacity on the basis of a special approval procedure. With the same object in view and to save on imports, it has been allowed, subject to simple procedures, that design and documentation worth Rs. 500,000 can be imported by any unit, in a year.

In response to the steep increase in the prices of petroleum products and the need to economise the use of furnace oil in the country, Government has taken steps towards conservation of furnace oil. A standing committee has been appointed for distribution of furnace oil to industries on a rational basis without affecting industrial production. In order to promote more efficient use, a cut has been imposed in the allocation of furnace oil. Moreover, a broad categorisation of industries has been drawn up which can switch over to coal in a phased manner. Steps like clearance of capital goods imports are being taken to facilitate the switch-over in some industries.

The Sick Textile Undertakings (Nationalisation) Act, 1974, has been enacted to provide for the acquisition of 103 textile undertakings whose management had been taken over under the Industries (Development

and Regulation) Act, 1951 and the Sick Textile Undertakings (Taking over of Management) Act, 1972. The Act has been passed with a view to reorganising and rehabilitating these undertakings so as to subserve the interests of the general public by the augmentation of the production and distribution, at fair prices, of different varieties of cloth and yarn and to provide employment continuously to the large number of employees. The undertakings will be managed by regional subsidiary corporations of the National Textile Corporation which will give, as an apex body, overall guidance. State Governments will have a share in the equity and management of the subsidiary corporations.

Unfortunately, in the last five years the wagon industry has had major set backs due to recession in the engineering industries, labour unrest, non-availability of rolled steel sections in time as well as cut back in the placing of orders from the Railways. In addition, the industry has been seriously handicapped by inflation which has rendered the price for wagons at any point of time uneconomic. To overcome this disability and to provide a central agency for coordination of production programmes with the requirements of Railways, Government of India have set up Wagon India Private Ltd. which is a joint-sector company, the wagon building companies subscribing to the extent of 75 per cent. In order to resolve the question of prices for all types of wagons to the Railways, a committee has been constituted by the Ministry of Railways, including representative of Industries Ministry to make recommendations regarding equitable prices for the execution of the running orders.

The State Trading Corporation of India had entered into a contract with Yugoslav Railways for supply of 3,600 wagons, valued Rs. 374.40 million to be completed by December 1973. On account of various difficulties, the delivery period has been extended from time to time. At the present price level, this order was totally unremunerative and therefore, after a good deal of discussion and negotiations with the Yugoslav authorities, the number of wagons to be supplied now stands reduced at 1300 at a negotiated price which will reduce the losses of the Indian wagon manufacturers to a very great extent.

With these steps, it is expected that the wagon industry will be once again nursed back to health. Efforts are also being made to get fresh export orders so that the installed capacity in the industry can be fully utilised. The management of a number of such units has also been taken over during the last year.

In view of the steep increase in the prices of capital equipment and also the need for enabling existing small scale industries to modernise their production processes and also to facilitate the growth of new units, Government is considering a proposal to raise the ceiling for investment in plant and machinery from Rs. 750,000 to Rs. 1 million for small scale industries and from Rs. 1 million to Rs. 1.5 million for ancilliary industries. Full attention is being also given to the development of ancilliary industries.

Realising that if the economy has to survive, there is no option but to step up its exports significantly, every possible measure is being taken to increase the export earnings. Unconventional exports in commodities like sugar and cement are being followed up. More important, the effort is to increase the exports of non-traditional engineering goods particularly to the developing countries. Towards the furtherance of this objective, a number of bilateral trade agreements have been entered into and Joint Commissions with a number of countries set up. The strategy is to fully exploit the country's present capacity with the advantage of less expensive cost of production to meet the developing needs of various countries either directly or as a third country supplies. Instances deserving particular mention are the orders secured for the supply of equipment for a Coke oven project in Yugoslavia, structurals for a project in Kuwait, buses to Zaire, Afghanistan and Sri Lanka. An understanding has also been reached with Hungary, after an appraisal of India's engineering and technical capabilities for preparation of a detailed project report for setting up of a coke oven project in that country on a turn key basis. Similarly, all possible avenues are being explored for mutual cooperation and expansion of trade with various other countries. Right now, negotiations are in hand with the USSR and a team is in India to explore the possibility of India's supplying heavy

engineering equipment to third countries which are setting up projects with the assistance of USSR.

Inflationary trends have been depressed. The indices during the last few months have shown a welcome fall. The All India Index Number of wholesale prices fell from 328 in September to 324.8 in October, 320.1 in November and 316.8 in December. Similarly, the All India Consumer Price Index Number fell from 335 in October to 330 in November. Over the year ending December 21, 1974, the general level of prices rose by 19.8 per cent as against an increase of 26.8 per cent in the corresponding period last year.

EXTENSIVE EXPLORATION EFFORTS FOR SELF-SUFFICIENCY IN OIL

With the successful implementation of onshore and offshore oil exploration, India can hope to achieve near self-sufficiency in the next six to seven years. This would, however, depend on India's acquiring rigs, drilling platforms and other equipment as well as its ability to transport oil from offshore areas.

So far as onshore exploration is concerned, an additional six rigs would be deployed during the current year and the total number of additional rigs would go upto 32 at the end of the Fifth Plan (1978-79). The country would also be able to produce five to six deep drilling rigs every year from 1977-78 onwards, thus giving a fillip to its exploration efforts.

By 1976, 1 million tonnes of oil production could be established from the Bombay High, where oil had been struck successively in three wells. The Oil and Natural Gas Commission (ONGC) proposed to drill atleast two more wells on the structure before the next monsoon broke over the Arabian Sea. That would enable India to know more about the quantity of oil to be expected from the Bombay High.

A general survey of exploration efforts all over the country, particularly, Assam, Tripura, Gujarat and Rajasthan, indicates that till India could find all the

oil it needed, it would have to continue to import oil. There are difficulties in securing supplies but efforts are being made to get adequate quantities of oil on a bilateral basis.

India's production of crude oil was 7.20 million tonnes during 1973. The import of crude in the year was about 13.4 million tonnes valued at Rs. 24.24 million and of refined products was 3.85 million tonnes worth Rs. 990 million. While the exploratory efforts for securing crude oil from domestic economy have been reviewed above, the following is a review of the progress that the domestic refining sector has made over the years.

In 1947, only Digboi refinery was in operation processing 0.2 million tonnes of Assam oil. During 1954-57, three refineries were set up—Burma Shell and Esso at Bombay and Caltex at Vishakhapatnam, for refining about 4 million tonnes of imported crude, mostly from Persian Gulf. With the discovery of crude in Gujarat and Assam in the fifties, refineries were set up in public sector and joint sectors - Gauhati in 1962 with Rumanian assistance and Burauni with Soviet assistance. A third refinery was set up in Koyali in Gujarat with Russian assistance. All the three used indigenous crude.

By 1960, it was realised that supply of refined products was not enough. More refineries based on imported crude were found necessary. So, a joint sector came into being, the first being Cochin refinery in 1966. The second refinery came at Madras in 1969 with minority participation of AMOCO of USA and NIOC of Iran. M/s. Lube India, with 50 per cent participation each of ESSO and that of Government of India, set up a lubricating oil base stock refinery at Bombay for blending imported lubricating oil base stocks. Two plants were set up for base stock - one at Bombay and the other at Madras. A third is coming up at Haldia. The total capacity of the nine refineries set up by 1970 was 20 million tonnes, more or less, matching the consumption level in 1970. The refining capacity has to be increased from the present 24 million tonnes to 38 million tonnes by 1978. Another new Cochin refinery (2.5 million tonnes), expansion of Cochin (0.8 million tonnes), Mathura (6 million tonnes), Bongaigaon in Assam (1 million tonnes),

Koyali expansion (4.3 to 7.3 million tonnes) are proposed to be set up by 1978. The total refining capacity would be 38 million tonnes giving a product of 37 million tonnes by 1978.

In this context, it is further understood, that the trial runs of the fuel sector of Haldia Refinery were going on and the lube sector was expected to be completed by the end of 1975. Work had been started for expanding the capacity of Gujarat Refinery from 4.3 million tonnes to 7.3 million tonnes per annum and the project is expected to be completed during 1977. The Barauni Refinery processed 2.64 million tonnes of crude oil as against 2.39 million tonnes in the previous year. This was mainly due to increased intake of imported crude oil.

Pipeline transport is being adopted to replace railways and trucks. The Gauhati-Siliguri, Barauni-Kanpur-Haldia-Barauni, Haldia-Mourigram-Rajbandh and the Jawaharnagar-Ahmedabad Pipelines transported a total quantity of 3.22 million metric tonnes of products during 1973-74. The Haldia-Mourigram-Rajbandh Pipeline which was commissioned during the year transported 0.4 million metric tonnes of products. An ultra high frequency telecommunication facility for Haldia-Barauni-Kanpur pipeline is under construction.

A pipeline would be laid to transport crude from the off-shore terminal to be built at Salaya on the Gujarat coast to the existing refinery at Jawaharnagar and to the one proposed at Mathura. The first phase of setting up of the off-shore terminal was on hand and the construction work is expected to commence in 1975. Besides, plans are afoot for building additional storage and distribution function at Kandla and Butchar Island in Bombay.

Institute of Petroleum Technology was set up in early sixties with the assistance of I.F.P of France. Engineers India, set up in 1966, has gained experience in design, engineering and construction of refineries and similar plants. The India oil Corporation is setting up a Research and Development centre at Faridabad for development of proprietary brands of lubricating oils,

greases and other specialities to meet special demands of railways, defence etc. It started functioning since May 1973, where the main laboratories are expected to be completed by 1976-77. The Centre will also provide specialised technical services to consumers. IOC and EIL have set up a Central Service Organisation (CSO) to render advisory services on maintenance, corrosion and related problems to various units of IOC and other organisations. It is also engaged in developing indigenous materials and expertise to replace imports.

INDIA TO BENEFIT FROM OIL FACILITY

India's quota from the oil facility created by the International Monetary Fund (IMF) is to be 670 million SDR's (Special Drawing Rights) during 1975, out of the 5 billion SDRs (equivalent to \$ 6 billion), approved for countries seriously affected by the oil crisis. This was referred to at the 20 nation interim committee of IMF which met in Washington recently.

In 1974, India utilised 200 million SDRs out of its quota of 400 million odd SDRs and applied for another 150 million SDRs. But since the utilisation of its quota by a country was linked to its external reserves, India's subsequent application had not been accepted. The carryover of 1 billion odd SDRs from last year's allocation would be added to this year's oil facility.

It had been agreed that the total of IMF quotas for all members should be raised to 39 billion SDRs. India's share will be the same as under the previous allocation that is, 3.2 billion SDRs.

The share of OPEC countries had been increased from 5 per cent to 10 per cent and that of the developed countries had been reduced by 5 per cent to 67 per cent. The share of the developing countries will continue to be 23 per cent.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

COMMERCIAL EXPLOITATION OF NCL PROCESSES

During 1973-74, the National Chemical Laboratory (NCL), Poona has undertaken research activities in as many as 19 major areas. During the year, NCL conducted research and development work on 31 projects as against only 13 in the preceding year, which had been identified by the National Committee on Science and Technology (NCST). These relate to bulk organic chemicals, petrochemicals, pesticides and agrochemicals and drugs and pharmaceuticals, among others.

Based on the NCL technology, as many as 49 processes have been released during the year for commercial production to a number of manufacturing concerns in the public and private sectors. The products pertained to different vital industries, such as, pharmaceuticals, dyes and intermediates, textiles, plastics, paints and varnishes, electronics, metals, synthetic chemicals, industrial chemicals, perfumery, insecticides and so on. The annual turnover of these processes during the year was of the order of Rs. 65 million as against Rs. 55.70 million (of 48 processes) during 1972-73.

For the first time in India, production of certain items was taken up during the year under review. The list of such items includes D.C. Recording polarograph, Direct reading spectrophotometer, Thermosetting Resins for Industrial laminates and Carbazole Dioxazine violet and pigment. M/s. Synthetics and Chemicals Limited, Bareilly, Uttar Pradesh, have established a commercial pilot plant of one tonne a day for medium grade nitrile rubber, based on the NCL technology. The firm has reported production of 30 T (value Rs. 600,000) during the year under review. In a few years, the firm is expected to expand its capacity of 2000 TPA for all grades of nitrile rubber with a turnover of Rs. 40 million.

Of the total 48 processes that have been released to 54 parties by NCL (including sponsored process) and await production, 13 processes were released to 16 parties during the year under review. The remaining 38 parties are also taking steps to implement 35 NCL technologies which have been transferred recently. To mention a few examples, a 3000 TPA chloromethanes plant having a production value of Rs. 15 million has been set up by M/s. Standard Alkali and the commissioning runs are in progress. M/s. Hindustan Organic Chemicals Limited, Râsayani have completed its installation of 4500 TPA chlorobenzene plant of a production value of Rs. 27 million during the year. The plant is reported to have gone in commercial production recently.

Similarly, a unit for monochloroacetic acid (300 TPA) was installed by M/s. Hico Products (P) Limited, Bombay and trial runs are reported to be in progress. M/s. Atul Products Limited, Atul, yet one more firm, is reported to have set up a plant for the manufacture of monoethylaniline (150 TPA). In addition to above, work was also in progress in the installation of a number of plants based on NCL knowhow. These include opium alkaloid plant (value Rs. 10 million); Oxalic acid plant (900 TPA) from bark of Ain tree by M/s. Vidarbha Organic Chemical Industries Limited, Nagpur and P-toluidine (300 TPA plant) from P-Nitrotoluene by M/s. Sudarshan Chemical Industries Private Limited, Poona.

Till March 1974, the total number of processes developed by NCL was 115 and the number of firms to which there were supplied was 88. The number of processes released was 71 and those in production was 32. The value of production for the year 1973-74 was Rs. 38.30 million. During the year under review, utilisation of the processes developed by NCL under sponsorship by industry was 55. Of this, 16 processes led to commercial production and the production value was of the order of Rs. 26.10 million.

There are 87 processes on which NCL knowhow is available for commercial exploitation to interested parties. During the year under review, 15 newly developed processes were cleared by NCL for release to industry.

MICRO COMPUTER DEVELOPED

A micro-computer-Moscal 1080 PS-claimed to be India's first of its kind-has been formally released recently. Designed and made by the Delhi Cloth Mills of Delhi, it is stated to be a programmable, scientific desk top, electronic calculator with 10 independent memories and 36 functions and operation. Set in a wooden cabinet it weighs less than 5.5 kgs.

The newly developed cumputer is claimed to be original in design. Some special features have been built into the machine to make it particularly suitable for Indian conditions. Since similar machines were so far procured through import, the new model is expected to result in a saving of Rs. 5 million annually.

Against a licensed capacity to produce 5,000 machines annually, the company hopes to make and market about 500 micro computers. The company has already received orders for 200 machines.

CARNATIC MAT FOR WALL CARPETING

Among the wide range of coir products offered by the Indian Coir Industry, Carnatic mat has special appeal to recommend it for use as a wall-to-wall carpeting material due to its finer texture and other refinements in construction. It has by now been able to capture wide application with ample scope for further development. It offers appreciable durability and wearing properties even for rough uses coupled with damp proof quality, which are inherent special qualities of coir products.

Carnatic mat with its perfectly flat and even base fabric is an ideal material for being developed into pile carpet in tile. One of the ways of getting the mat made in tile form is to weave the mat in required width and thereafter cut it to the size of a tile fastening the cut edges by the traditional process of tucking in of the protruding warp ends.

Experiments have proved that adhesive preparations such as Mowicol, Fevicol, etc., could satisfactorily meet the requirement of retaining the pile structure at the cut edges of the mat in an upright position preventing the formation of furrows when the treated tiles are placed in position to form wall to wall carpeting. In routine process, the adhesive material is applied to the rear side of the mat by brushing or by spray gum to the required width-say two or three centimetres - at the portions intended for cutting. Thereafter, the treated portion is cured by air drying or by passing over a hot plate which the mat is cut to the required size with the help of sharp knife.

Carnatic pile carpet in tile form is immensely advantageous for wall to wall carpeting. These tiles require no sticking or fixing. They can be laid in position without much effort. The tiles lie flat on any reasonable flat surface and can be laid on to concrete or any other hard surface. The mat may be woven to convenient width of the file-usually 30 cm or 40 cm-limiting the wastage in the woven material to the essential minimum, in the process of preparation of the tiles. No seaming is necessary and thus avoids streaky lines at the joining portions. Weaving of mat on handloom in shorter widths ensures a product of better quality. Tiles could be easily replaced for cleaning. Tiles of varied colours either solid, mottled or striped permit endless permutations of effect and the pattern achieved can be changed at will. Soiled tiles and those subjected to uneven wear as in door-steps or areas of heavy traffic can be replaced or interchanged without investing for the replacement of whole carpeting material. Additional expenditure required for the preparation of mat in the tile form could be compensated by the savings on account of various items indicated above.

Detailed information on the subject can be had from the Coir Board's National Coir Training and Design Centre at Alleppey.

EXIT OF GOLD IN WORLD MONETARY SYSTEM

The Board of Governors of International Monetary Fund has announced its decision on January 17, 1975 to do away with the official price of gold and removed the

stipulation for payment of 25 per cent of quotas of member countries in gold. With this decision, gold has been virtually eliminated in the operations of I.M.F.

The role of gold in the international monetary structure has been declining rapidly for a long time now. A brief review of the Fund that led to the official exit of gold in the system would make an interesting study. Way back in July 1944 at the Bretton Woods Conference, gold, described as a "barbaric relic" of the past was allowed to continue to have a prime position in the monetary system and currencies of various countries have been expressed since then in terms of gold or U.S.\$ valued 1/35 of an ounce. The gold price of \$35 an ounce seemed alright as long as U.S. \$ was strong. From 1958, the dollar began to weaken and the U.S.A., started losing gold to settle its balance of payment deficits.

Quotas of the member countries of I.M.F. increased by 50 per cent in 1959 and 25 per cent each in 1966 and 1970. At all these stages, the stipulation that 25 per cent of the quota value should be paid in gold remained operative. The U.S.A., Canada and some European countries formed a Gold Pool in 1961 to keep the price of gold stable at \$35 an oz. The I.M.F. even instituted a six billion dollar general arrangement to borrow so as to primarily help stabilisation of the U.S. dollar.

A system of paper gold or international currency as agreed to under the title "Special Drawing Rights (SDR)" was eventually introduced, but the SDR was also defined in terms of gold, on parity with the old \$ viz. 1/35 an oz. SDRs issued in 1970, 1971 and 1972 were for a total of 9,300 million units. In 1968, the Gold Pool was abandoned as it meant a loss of gold to the authorities as the price of \$35 an oz. was low. Instead, a two-tier system of gold price was introduced in terms of which the central banks of the IMF member countries would not deal in the market by neither buying nor selling, but they bought gold from South Africa and the price of the metal started going up, though slowly.

In 1971, the position of \$ became too weak and the gold stocks of U.S., were depleting. Subsequently,

the convertibility of \$ into gold was suspended by a Presidential order.

By the end of 1971, dollar was devalued slightly to \$38 an oz. of gold, but convertibility was not restored. In February 1973, there was a further devaluation of the dollar and the new rate was \$42.22 per oz. In fact, the price of gold elsewhere in the world crossed \$100 per oz. during 1973.

Meanwhile, the world monetary situation was adversely affected by the oil crisis in the last quarter of 1973. There were sharp rises in oil prices in 1973 and 1974 which led to sharp increases in the price of gold that touched almost \$200 per oz.

The Committee of Twenty of the I.M.F. decided to reduce the role of gold in the international payment system, but a final view was not taken at the time of the Committee's submission of its report in June 1974 as to what should be the manner of phasing out gold. Hence, an interim measure had to be taken to define SDRs in terms other than of gold. Eventually, the I.M.F. decided to define the SDR as being equivalent to a group of 16 currencies in such a manner that an S.D.R. would approximately continue to be equal to U.S. \$ 1.206 or the exchange rate between the SDR and U.S. \$ after the U.S.A.'s second devaluation in February, 1973.

The U.S. Congress removed the 41 year old restriction on U.S. citizens acquiring and holding gold without limit effective from January 1, 1975. The

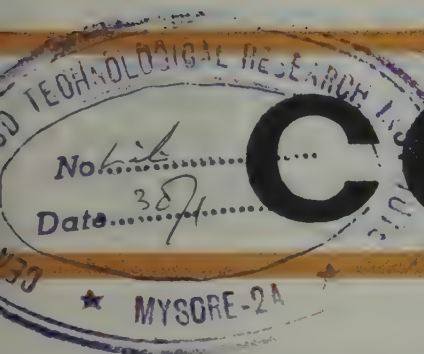
U.S. treasury auctioned 1 million ounces of gold on January 6, 1975 and the quotations received averaged well below the market price of gold. It was, thus, evident that U.S.A., which was opposed to the final exit of gold from the world monetary system, had ultimately to agree to do so. The I.M.F.'s latest decision has received support from the developing countries as well.

The long waited I.M.F. decision is expected to have no serious impact on the world monetary structure. As gold production is not rising much, its price is not anticipated to fall; instead the price may keep on increasing as the widespread inflation the world over has tended people to be jewellery-minded. It is also unlikely that countries will start engaging in large scale selling of gold. Arabs, for instance, may continue to convert a good portion of their oil earning into gold. There may not be a likelihood of many countries resorting to re-valuation of gold either. A sudden re-valuation is likely to make Governments and Central Banks Complacent about their balance of payment deficits and there may be a further trend towards inflation. The developing countries have nothing to lose by the new arrangement. To the extent that the price of gold goes up in the free market, the value of their gold holding will also go up.

The stocks of gold in the world are estimated at an equivalent of 36 billion SDR units. The Indian stocks are in the neighbourhood of 140 million ozs. worth something like \$ 21 billion, it is learnt. □

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EXPORT SUCCESS OF ROAD MOTOR VEHICLES

Automobile industry constitutes a prominent sector of India's engineering industry. In 1973-74, the country's foreign exchange earning through export of road motor vehicles was of the order of Rs. 150 million. In the context of these exports, the contribution made by M/s. Tata Exports (Shivsagar Estate, Annie Besant Road, Bombay) is noteworthy. The firm, for instance, can take pride in bagging a sizeable order for commercial vehicles from Uganda in the recent past. The order, valued at Rs. 94 million (C.I.F.) was secured in the face of world-wide competition and is claimed to be the largest single export order for commercial vehicles ever secured by India from any country. Under the contract, Tata Exports are to supply 1000 trucks, 60 complete buses and 36 Matador Mini buses to Uganda. The entire value of these supplies is payable in Pound Sterling. The contract has led to yet another order from Uganda for 100 Tata Tippers

valued at about Rs. 7.5 million besides 100 Matador ambulances, 36 Mini buses and 13 pick-up vans. The Tata vehicles are being manufactured by M/s. Tata Engineering and Locomotive Co. Ltd. and the Matador Mini buses by M/s. Bajaj Tempo Ltd. Poona.

Other significant export orders secured by the firm for road motor vehicles relate to supply of 100 buses at a value of Rs. 13 million to Afghanistan and 50 buses to Guyana. The Government of Guyana is reported to be satisfied with the performance of 76 buses supplied by the firm earlier against international competition from renowned organisations like Leyland and Bedford.

Another outstanding achievement of the firm pertains to its success in bagging an order from Arab Republic of Egypt for supply of 302 buses, tipper and truck chassis at Rs. 20 million as also spare parts valued at Rs. 3 million, payable in free foreign exchange. With the execution of this contract, the total number of Tata vehicles operating in ARE will total 2,700 numbers.

Besides road motor vehicles, the export profile of the firm covers a wide range of other products, each looked after by a specialized division. The export achievement of the Automotive and Construction division of the firm includes an order for 362 Lakshmiratan Diesel engines. Once the initial supplies are executed satisfactorily, regular orders are expected to follow. The firm has also received a repeat order from Hungary for varied cosmetic products. It has effected the last shipment of a Soviet order for a range of cosmetic products valued at Rs. 3 million.

The total export turnover of the firm has been rising from year to year. From a modest figure of Rs. 2.5 million in 1962-63, it rose to Rs. 210 million in 1972-73 to touch the peak of Rs. 240 million in 1973-74. Its cumulative foreign exchange earning since its inception as an Export House more than a decade back is stated to amount to about Rs. 1200 million.

SOAPS IN EXPORT TRADE

Soaps from India are sought for by a number of overseas markets. Of the total export value of soaps and cleansing and polishing preparations at Rs. 16 14 million in 1973-74, soaps accounted for an earning of over Rs. 3.84 million. Among the varieties of soaps exported, toilet soaps (other than dental soap) alone earned Rs. 1.55 million during the year. Of more than thirty countries that imported this variety, Nepal topped the list of buyers. The other major buyers included Afghanistan, Malaysia, Thailand, USA and Singapore. Soap flakes, chips and powder, soap bars, tablet cakes and other laundry soaps as well as medicated soaps were the other varieties exported during the year.

In its endeavour to promote exports in the line, M/s. Godrej Private Ltd. (Eastern Express Highway, Vikhroli, Bombay-7) have been able to introduce their soaps and toiletries in a number of countries, such as U. K., Australia, Netherlands, West Germany, Thailand, Japan and Poland. Besides toiletries and soaps, the firm is also exporting linseed oil, fish meal as also

groundnut, linseed, cotton-seed, safflower and niger oil cake. Over the years, these overseas sales have been growing. Thus while in 1973 the foreign exchange earning of the firm totalled Rs. 90 million, it rose to Rs. 120 million in 1974.

Currently, there are 46 units engaged in the soap industry in India. Their installed capacity adds up to 218,878 tonnes per annum. A further capacity of 7,200 tonnes per annum has been licensed and in addition a capacity of 3940 tonnes per annum is covered by letters of intent. Actual production was estimated at 235,000 tonnes in 1973. The target for production is placed at 340,000 tonnes by 1978-79. Imports of soaps are not permissible.

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PUBLIC ADDRESS EQUIPMENT AND EXPORT TRADE

India's telecommunication equipment has been earning growing sums of foreign exchange in recent years. During 1973-74, the export value was nearly Rs. 11 million.

Besides telephone and telegraphic equipment and components, Public Address equipment figures prominently in the export trade in the line. Amplifiers, microphones, loudspeakers and microphone parts constitute the major categories of this equipment. Loudspeakers including those for radios, for instance, were exported to the tune of Rs. 1.13 million in 1973-74, mainly to Iran, Singapore, U.S.A. and Belgium. Amplifiers constitute another important area and their export earning during the year was of the order of Rs. 2.30 million with USSR, Nigeria, Iran and Lebanon as the major importing countries. Microphones and parts was another field of export growth in the year to earn Rs. 1.10 million in foreign exchange. Microphones were exported mainly to Iran, Thailand and Tanzania while Iran, Kenya, Nigeria and Lebanon were the leading buyers for microphone parts.

Contributing to the export effort in the line, M/s. Happy Sound Industries (1137/38, Chandni Chowk, Delhi), manufacturers of amplifiers, microphones and other public address accessories succeeded in exporting their products to the tune of nearly Rs. 1 million during the first seven months of the current year (April-October, 1974). The exports were directed to as many as 19 countries. The major purchasers were Iran (Rs. 186,800) U.S.A. (Rs. 148,400), Greece (Rs. 115,470) and West Germany (Rs. 114,400). Afghanistan, Bahrein Islands, Belgium, Ghana, Hong Kong, Iraq, Kuwait, Malaysia, Malta, Mauritius, Netherlands, Nigeria, Saudi Arabia, Singapore and Thailand were the other buyers.

In India, the production of amplifiers and public address system primarily concentrates in the small scale sector with a turnover of 80,000 numbers per year. By the end of the Fifth Five Year Plan period (1974-75 to 1978-79), the demand is expected to go up to 200,000

numbers which is expected to be catered to by the existing units. There has been considerable growth in production of loudspeakers as well in recent years and their total licensed capacity so far, both in the organised and small scale sectors, is of the order of 11.20 million numbers. The demand at the end of the Fifth Plan period is placed at 12 million numbers.

EXPORT PERFORMANCE AND POTENTIAL

ENCOURAGING TREND IN ENGINEERING EXPORTS

India's export trade in engineering products has witnessed an unprecedented uptrend in recent months. During the first seven months of 1974-75 (April-October 1974), the export value was of the order of Rs. 1375 million as compared to Rs. 826.5 million in the same period of 1973-74 (April-October 1973), thus revealing an increase of 66 per cent, according to the provisional figures released by the Engineering Export Promotion Council, Calcutta.

During the period under review, most of the items in the engineering group that are exported from India have recorded an upward trend excepting cement machinery, boilers, wagons and coaches. The exports of these commodities in course of time are even expected to improve as there are several orders on hand, particularly for boilers and wagons and coaches, due for delivery during the next few months.

The unprecedented growth in exports has been attributed to higher unit value realisation, increase in the volume of exports in certain commodities and comparatively comfortable order position which by the end of October 1974 totalled approximately Rs. 4000 million. If the present growth rate is maintained and subject to the availability of adequate shipping space, it is felt that the export target for the engineering industry for the year 1974-75 at Rs. 2500 million might be surpassed.

The industrial plant and machinery sector of the country's engineering exports witnessed improvement to the level of nearly Rs. 100 million during April-October 1974 as compared to only Rs. 74.78 million in the same period of the preceding year. In this sector, the export earning of jute and textile machinery improved to Rs. 34 million from Rs. 15 million in the respective periods. Sugar mill machinery was exported to the tune of Rs. 24 million as against Rs. 17 million. The export trade in food processing machinery also improved from Rs. 7.6 million to Rs. 11.15 million.

Heavy electrical items which were sold overseas to the extent of Rs. 33 million during April-October 1973 improved their performance to reach Rs. 46 million in the same period of the subsequent year.

Fabricated steel structurals also recorded sizeable improvement in their export in the period mentioned above - from Rs. 46.45 million to Rs. 67.5 million. Of these structurals, the export of transmission line towers had more than doubled from Rs. 11 million to Rs. 25.4 million. The export of cranes and lifts was more or less maintained at over Rs. 3 million while there was fall in the export of boilers including pressure vessels from Rs. 15.4 million to Rs. 11.7 million.

The export value of wires and cables improved from Rs. 58.63 million to Rs. 64.24 million while that of complete vehicles improved from Rs. 19.2 million to Rs. 41 million. Wagons, coaches, components and railway track materials witnessed a declining trend from Rs. 27.3 million to Rs. 16.6 million.

Primary steel and pig iron based items proved to be buoyant in the export market during the period under review. Their export earning which was only Rs. 171.5 million during April-October 1973, went up to Rs. 402 million in the same period of 1974. The major growth point was in respect of steel pipes and tubes (from Rs. 66.5 million to Rs. 170 million). The export of bright bars also improved substantially from Rs. 8.5 million to Rs. 22.6 million. Ferrous hollowware like tin plate containers, G. I. Buckets, steel ghamelas and steel trunks have also witnessed uptrend. Also mild steel wire products including wire nails and netting, bolts and nuts, wood screws, electrodes and welding rods

witnessed notable increase from Rs. 17.3 million to Rs. 45 million. Wire ropes constituted another growth point having earned Rs. 36 million against Rs. 10.4 million.

In the non-ferrous products group, aluminium products, E.P.N.S. wares and other non-ferrous products received larger export demand in the period under review.

Auto parts which have been improving their export performance year after year were exported to the tune of Rs. 98.3 million during April-October 1974 as compared to Rs. 57.5 million in the same period of 1973. The export trade of bicycles and parts increased from Rs. 72 million to nearly Rs. 102 million and that of machine tools from Rs. 22 million to Rs. 74 million and small tools and cutting tools from Rs. 43 million to over Rs. 70 million.

Diesel engines and parts, mechanical pumps and air compressors improved their export value from Rs. 32 million to about Rs. 75 million. Export uptrend was witnessed in respect of electrical fans and parts also from Rs. 11 million to Rs. 28 million.

In the electronic sector where exports rose from about Rs. 40 million to over Rs. 52 million, data processing machines, radios and parts, public address equipment and telephones and teleprinters were active. Dry and storage batteries also improved their export record from about Rs. 14 million to nearly Rs. 25 million.

The encouraging trend in the country's export trade of engineering products was notwithstanding the world-wide recession and drop in global prices. But in view of the persistently difficult demand conditions abroad, it is imperative that the engineering industry in the country continues to be agile. Towards this end, Engineering Export Promotion Council has long term plans to invite selected firms to prepare their export programmes for the next three to four years with annual compound growth rate of 10 to 15 per cent so that the identification of inputs required for achieving the growth rate would be facilitated.

ASSOCIATION OF IRON ORE PRODUCERS PROPOSED

The Preparatory Committee of senior officials of the Group of Iron Ore Exporting Countries met in New Delhi from January 13 to 15, 1975 under the chairmanship of Shri Y.T. Shah, Commerce Secretary, Government of India. The countries represented at the meeting were Algeria, Australia, Brazil, Canada, Chile, India, Mauritania, Peru, Philippines, Sweden and Venezuela.

The Preparatory Committee was established by the Ministerial Meeting of the Group of Iron Ore Exporting Countries held at Geneva from November 4 to 6, 1974 under the chairmanship of Prof. D.P. Chattopadhyaya, Minister of Commerce, Government of India. The committee was directed by the Ministerial meeting to examine, in depth, the form and detailed provisions for an Association of Iron Ore Exporting Countries and to report to the next Ministerial meeting to be held in March/April, 1975.

The Committee discussed the broad objectives of the Association covering such aspects as co-operation among the member countries with a view to safeguarding their interests in relation to the iron ore export industry, assisting the member countries to secure fair and remunerative returns from the exploitation, processing and marketing of iron ore, interests of importing countries, decision making powers and other matters. The Committee was guided primarily by the objectives set out in the Ministerial Declaration of November 1974. It agreed upon the text of a Draft Agreement on the establishment of an Association of Iron Ore Exporting Countries for submission to the forthcoming Ministerial Meeting.

SHARP RISE IN EXPORTS OF SPORTS GOODS

India earned Rs. 21 million from the exports of sports goods in the first five months of 1974-75 as compared to Rs. 13 million in the corresponding period of 1973-74.

The estimated annual production of the industry is of the order of Rs. 80 million and about 70 per cent of the production is exported. Despite keen competition in the world markets, there has been a remarkable growth in exports of these goods from India. From a mere Rs. 12 million during 1968-69, exports have gone up to about Rs. 60 million in 1973-74.

The important items of exports from India during 1973-74 were foot-balls, rugby-balls, foot-ball requisites, hockey sticks, tennis rackets and frames, sport nets, indoor games and equipment for outdoor games. The major markets for these goods are UK, Australia, German Federal Republic, USA, France, East Africa and Nigeria.

Although exports of Indian sports goods are showing a steady increase, India's share in the world market is about 1 per cent only. This seems to be the outcome of the traditional concept of sports goods in India where production is confined to a few items like foot-balls, rackets, hockey sticks, cricket bats and balls. Production of goods for other sports, such as, fishing, skiing, hunting, mountaineering, golf and yatching does not exist. Sports goods industry in India is concentrated in the cottage sector and consists of about 600 units of which about 500 are very small with a capital outlay of less than Rs. 10,000 each. In order to cater to world market for such products, it would be necessary to organise the present units and set up new units to diversify production. It has been estimated that exports of Indian sports goods can be raised to four times the present level after enlargement and diversification of the production base.

WOOL AND WOOLLENS IN EXPORT TRADE

India's export earnings of wool and woollens were more or less maintained at about Rs. 253 million in the first half of 1974-75 (April-September 1974) as compared to the value at Rs. 272 million in the same period of 1973-74 (April-September 1973).

The exports during 1973-74 were of the order of Rs. 523 million as compared to Rs. 482 million in 1972-73.

Among the non-traditional items, export of woollen knitwear fabrics and shawls has revealed particularly encouraging trend in recent years. The export value was in the neighbourhood of Rs. 180 million during 1973-74, Rs. 21 million more than in the preceding year. Woollen carpets, druggets and namdahs exports recorded an appreciable rise at Rs. 257 million during the year as compared to a year before. The export earning from raw wool also stepped up to Rs. 69 million from Rs. 60 million in 1972-73.

In the first half of 1974-75, the export of raw wool, woollen hosiery goods and woollen/worsted as well as mixed fabrics showed a decline. Against this, notable rise was observed in the main items of exports, such as, woollen carpets, druggets and shawls. The export of woollen readymades and blankets were maintained, however.

The major traditional item of export, namely, woollen carpets, druggets and namdahs have shown sizeable spurt in their export earning from Rs. 111 million to Rs. 146 million. The major factor responsible for the improvement in the export of carpets has been the better unit realisation and larger export of finer types of carpets. It is estimated that in the second half of the year 1974-75, the exports of carpets were around Rs. 140 million. The drop in the export of woollen/worsted and mixed fabrics from Rs. 9 million to Rs. 6.6 million in the periods under review was attributed to the recessionary trends in Western Europe. The export earnings of woollen blankets did not show much of a rise in the first half of 1974-75. There are orders worth Rs. 22.50 million for supply to Iraq. It is hoped that a part of these orders to the tune of Rs. 9 million would be fulfilled in the second half of the year.

Woollen readymade garments had also witnessed a drop in exports in the period under review, mainly due to the fact that in the trade plan for 1973-74 with USSR, which is the major destination for India's terrywool, there was no provision for supply of woollen readymade garments. However, there are huge orders for the supply of battle dresses to Iraq and as such it is expected that orders worth Rs. 10 million would be fulfilled in the second half of 1974-75. A repeat performance in the improvement of woollen shawls

during the first half of the year is expected in the second half also. The export value of shawls during April-September 1974 resulted in doubling of the export value to Rs. 3 million as compared to Rs. 1.54 million in the same period of 1973-74.

Among the major non-traditional items in the group, export of woollen knitwear indicated tendency towards decline in the first half of 1974-75 as compared to those in the same period of 1973-74. Notwithstanding the drop, the exporters would be in a position to supply more than in the second half of the year (1974-75), as the trade plans with East European countries have made provisions therefor. It is estimated that export worth Rs. 123 million would take place in the second half of the year 1974-75.

The sudden drop in the overseas supply of raw wool at Rs. 23 million in its performance in the period under review was due to the fact that raw wool merchants were not able to secure adequate f.o.b. price from major destinations, such as, UK and USSR, on account of imposition of export duty. Also there has been a quota fixed for the supply of raw wool for export purposes. It is estimated that the exports would be effected to the tune of Rs. 26 million in the second half of 1974-75 to fulfil the export contracts with the Soviet Union.

TRENDS IN EXPORTS OF FINISHED LEATHER GOODS

Leather has long been a major constituent of the export structure of India accounting for about 5 per cent of all exports from the country. Major items falling under this head in order of their importance are East India tanned hides and skins, chrome tanned hides, finished leather, leather footwear and components and miscellaneous manufactured leather goods.

Upto 1971-72, the level of exports of all varieties was around Rs. 900 million but in 1972-73, the international leather industry experienced a boom.

Leather prices shot up by 200 per cent to 300 per cent with the result that actual exports of leather and leather goods earned Rs. 1864 million in 1972-73 against the anticipated earnings of Rs. 975 million only. The earnings in 1973-74 were marginally lower at Rs. 1813 million as booking of air cargo was not easily feasible from Madras during the last quarter of 1973-74.

Export of E.I. tanned hides in 1973-74 amounted to Rs. 850 million, about 15 per cent less than the level reached in 1972-73. Chrome tanned hides did better during 1973-74 at Rs. 626 million against Rs. 520 million in the earlier years. Finished leather earned Rs. 136 million in 1973-74, again lower than the level of Rs. 200 million in the preceding year. Leather footwear and other leather manufactures showed better results at Rs. 112 million and Rs. 66 million respectively against Rs. 103 million and Rs. 36 million in 1972-73.

The figures indicate that whereas exports of semi-processed hides have gone down marginally, leather footwear and leather manufactures have improved. This trend is in consonance with the Government of India's policy to encourage exports of finished goods where feasible rather than semi-processed items. To achieve this objective, manufacturers of semi-processed leather have been permitted to instal capacity to manufacture finished leather to the full extent of their semi-finished capacity. In order to enable small tanners of semi-processed hides to switch over as quickly as possible to manufacture of finished leather, common facility centres are being set up in various States.

The footwear industry in India is mostly concentrated in the cottage sector. Most of the units are not mechanised and, therefore, find it difficult to meet the high standards required in overseas markets. Efforts are, therefore, being made to bring the small units under an organisation which can boost production for exports. Some new units, both in the small and large scale sectors which are organised and fully capable of manufacturing goods in accordance with the latest designs, fashions and consumer's specifications, may also be allowed to be set up. A separate organisation for exports of finished leather and leather manufactures including footwear may also be set up as a part of this programme.

TREND IN JUTE GOODS EXPORTS

India's export trade in jute goods during the first six months of 1974-75 (April-September 1974) is estimated to earn increased foreign exchange at Rs. 1650 million (344,800 tonnes) as compared to that in the corresponding period of the preceding year. The exports during the full year of 1973-74 had secured Rs. 2230 million as against Rs. 2490 million during 1972-73. During these years, the quantum exported was 545,400 tonnes and 578,400 tonnes respectively. The total exports during the full year of 1974-75 are, however, estimated to touch 600,000 tonnes at a value of Rs. 2750 million,

An itemwise breakup of the exports during April-September 1974 indicates that hessian accounted for the bulk of Indian overseas supplies at 133,100 tonnes. During the complete years of 1973-74 and 1972-73, the exports of this item were of the order of 221,500 tonnes and 256,400 tonnes respectively. Carpet backing, the next best variety of jute goods exported was supplied abroad at 79,800 tonnes during the six month period of 1974-75 while in the preceding two years the exports were of the order of 167,900 tonnes and 162,600 tonnes. Interestingly, Sacking had sizeably improved the overseas offtake during the first six months of 1974-75 to 82,800 tonnes. In the full years of 1973-74 and 1972-73, the export quantum was 82,200 tonnes and 91,000 tonnes respectively. Apart from these, other jute products were exported to the tune of 49,100 tonnes during April-September 1974. During 1973-74 and 1972-73, they were supplied abroad at a quantum of 73,800 tonnes and 68,400 tonnes respectively.

INDO-POLISH ECONOMIC COOPERATION

Poland has urged India to open restaurants in Warsaw and other cities of Poland. This request was conveyed by the Polish Minister of Internal Trade to India's Commerce Minister. The Polish Minister expressed the hope that the Indian restaurants would be popular in Poland and requested the Indian authorities to make arrangements for Indian cultural shows in such restaurants.

The Polish Minister also requested the Commerce Minister of India to open godowns for Indian non-traditional goods in Poland so that constant supplies of these commodities could be maintained. While welcoming this idea, the Indian Minister said that similar requests had also come from other friendly countries in Europe. He pointed out that a proposal to open consignment centres in some cities of Europe, which could cater to the adjacent countries, was already under the consideration of the Government and a decision would be taken after assessing the quantum of demand from the European countries.

The Commerce Minister urged the Polish Minister to increase the supply of commodities like fertilisers, zinc, copper, steel and newsprint to India under the Indo-Polish Trade Plan this year. He pointed out that these commodities were very much needed for the economic development of the country.

The Polish Minister said that Indian boutique shops, recently opened in Warsaw had become popular and urged the Commerce Minister to ensure adequate and constant supply of goods in these shops.

The Polish Minister further stated that the people of Poland were familiar with Indian goods and pointed out that there was a great possibility of increasing the Indo-Polish trade and several Indian items, especially the engineering goods, would be needed more in Poland. India's production in the engineering industry is being already re-oriented with a view to catering to the export requirements.

Indo-Polish trade has shown notable increase in recent years. The two-way trade figure in 1974 was estimated to be Rs. 1400 million as against Rs. 856 million in 1973. India has recently concluded a long-trade and Payments Agreement with Poland in New Delhi.

TRENDS IN EXPORT TRADE TO SAUDI ARABIA

India's export trade to Saudi Arabia which amounted to about Rs. 110 million in 1968-69 improved to Rs. 150 million and Rs. 145 million in 1969-70 and

1970-71 respectively, as reported by the Indian Embassy in Jeddah (Saudi Arabia). The year 1973-74 proved to be far more favourable when the export value rose to a level of Rs. 258.40 million, notwithstanding the decline at Rs. 111.20 million and Rs. 121.30 million in 1971-72 and 1972-73.

Broadly, the main items of Indian export to Saudi Arabia have been spices including cardamom and ginger; textiles including durries and other made-up articles; rice; engineering goods, particularly diesel engines, pumps and parts, steel tubes and pipes, bars and rods of iron and steel, electrical goods; jute products; artwares and imitation jewellery; chemicals, pharmaceuticals and allied products.

The items which exhibited growth trend in exports to Saudi Arabia during 1973-74 included textiles and steel pipes and tubes. Among textile products, cottons including piecegoods, thread and yarn constitute a prominent category of export trade to Saudi Arabia. Handloom durries from India which are used as prayer carpets and flooring for tents proved popular in the Saudi Arabian market and are exported in sizeable quantity. Steel pipes and tubes are also in great demand in Saudi Arabia on account of the massive construction activity in that country. Consequently, these products also fared well in India's exports to Saudi Arabia during 1973-74. The export value of spices also registered a marked improvement, mainly due to increase in unit value realisation.

The Indian products which hold prospects in India's export trade with Saudi Arabia include mild steel bars, steel pipes and tubes, rice, plywood, cement, sugar, ceiling fans, chemicals and minerals required by the oil industry, diesel engines and water pumps, cotton and jute goods, spices, tea, imitation and semi precious jewellery, brassware, cast iron and malleable pipe fittings.

Besides physical exports, India can share its experience with Saudi Arabia in the context of the massive programmes of industrialisation and economic development being undertaken in that country by way of supplying technical know-how and entering into collaboration agreements. Already some Indian parties have initiated negotiations to take up joint ventures in Saudi Arabia in such industries as fertilizers, oil refinery, steel plant and tannery.

INDO-BAHREIN TRADE

The recent visit of the Foreign Minister of Bahrain to India has added a new dimension to the commercial and economic cooperation between the two countries. The visit enabled detailed discussions on a wide range of topics of mutual interest and particularly facilitated concretization of views on the specific projects and programmes of trade and technical collaboration between the two economies. It is hoped that these discussions will lead to expanding and diversifying the existing commercial contacts between the two countries.

Bahrain has been, for long, an important trading partner of India. The trade between the two countries has been rising in the recent years. Indian exports to Bahrain which were valued at only Rs. 31 million in 1972-73 climbed up to Rs. 88.7 million in 1973-74, a rise of about 200 per cent. Indian imports from Bahrain rose sharply from Rs. 3.65 million to Rs. 69 million in these years.

The major commodities exported from India to Bahrain during 1973-74 were rice (Rs. 33.5 million), textiles and readymade clothing (Rs. 12.3 million), tea (Rs. 9.1 million), spices (Rs. 6.8 million), fruit and vegetables (Rs. 3.4 million), metal manufactures (Rs. 3.2 million), machinery (Rs. 3.4 million), transport equipment (Rs. 1.9 million) and Iron and steel (Rs. 1.9 million). The major commodities of imports are petroleum, watches and clocks and pearls.

A Cultural Agreement between the two countries was also signed during the recent visit of Bahrain's Foreign Minister to India and the Agreement provides for cooperation in the fields of education, archaeology and technical education.

INDO-PAK SHIPPING SERVICE TO RESUME

A Protocol to resume direct shipping services for cargo carriage between India and Pakistan has been recently signed at New Delhi. Accordingly, cargo carriage between the two countries will be effective

from February 15, 1975. With this, the shipping services between the two countries will be revived again after a lapse of ten years.

The Protocol will be reviewed by both the Governments after a year and thereafter as may be mutually agreed upon. It stipulates the carriage of cargo by mercantile vessels sailing under the flags of either country. The details about the number of ships and sailings would be decided by the Shipping Departments of the two Governments shortly. As the shipping services would be resumed by February 15, 1975, the existing restrictions on the entry of the merchant vessels of the two countries to each other's ports would be rescinded from February 1, 1975 as the Protocol stipulates.

The Protocol further stipulates that all the cargo would be carried between the ports of the two countries on the principle of equality in matters regarding cargo liftings and freight earnings on an annual basis. It also provides for an early meeting of the representatives of the Shipping companies to determine by mutual discussions the operation details of the services.

The Protocol was signed in pursuance of the provisions of the 'Simla Agreement' of 1972 to progressively restore and normalise relations between the two countries as also in accordance with the recent Protocol on resumption of trade between the two countries signed at New Delhi on November 30, 1974, resolving to restore direct shipping service between the two countries.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

SATELLITE INSTRUCTIONAL TELEVISION EXPERIMENT

By June 1975 about 2400 villages in different parts of India are expected to receive television programmes produced at the various Base Production Centres of All India Radio and transmitted to a satellite from the earth station of the Indian Space Research Organisation at Ahmedabad and Delhi. The earth stations will

broadcast to the Applications Technology Statellite-6 (ATS-6) which will be made available to India by National Aeronautics and Space Administration of the USA for a period of one year on the basis of a Memorandum of Understanding signed between India and the USA.

The one year project - Satellite Instructional Television Experiment is the first of its kind where the TV programmes are carried to the remote areas without the medium of ground based TV relay stations. The TV sets which will directly receive the programmes from the satellite - direct reception sets - are being deployed in six "clusters" of 400 villages each. The clusters have been chosen based on their backwardness, infrastructure availability, continuity of TV service after SITE and non-duplication of existing TV service. Accordingly, some districts in the States of Andhra Pradesh, Bihar, Karnataka, Madhya Pradesh, Orissa and Rajasthan will participate in the Statellite Instructional Television Experiment (SITE).

Since the signal relayed by the Satellite is weak and of different frequency and format, the normal TV set has to be augmented with a three metre diameter parabolic mesh antenna and an electronic device called a front-end converter. These two items have been designed and developed at the Space Applications Centre, Ahmedabad of Indian Space Research Organisation and the knowhow has been transferred to the Electronics Corporation of India Ltd., Hyderabad, which is doing the large scale production of these items and the TV sets required for SITE.

In addition to the 2400 villages which will receive programmes directly from the satellite, the common programme will also be retransmitted by AIR's existing TV stations at Delhi and Amritsar and also by the new transmitter being set up at Pij near Ahmedabad. The signals from the satellite will be received by the earth stations at Delhi and Ahmedabad and relayed to the TV transmitters in these areas by microwave or cable links being specially set-up by Posts and Telegraphs. At Amritsar ISRO is setting up a special "receive only earth station", which will be co-located with the AIR TV station. Thus the common programmes will be seen not only in 2400 villages in

different parts of the country but also by hundreds of thousands of viewers in and around Delhi, Amritsar and the Kaira District of Gujarat.

One of the criteria for selection of clusters for SITE has been the possibility of continuing TV service after SITE. The Planning Commission has approved AIR's plan for providing regular TV coverage of these areas so that the villages chosen for SITE will continue to receive TV transmissions even after SITE is over in the middle of 1976.

Meanwhile, ISRO has a proposal for an Indian National Satellite (INSAT). This would be a multi-purpose satellite for providing nation-wide TV coverage and would also carry telecommunication traffic.

CRUDE RESERVES AT BOMBAY HIGH

The third oil strike on the Bombay High structure has further raised India's hopes to explore sizeable quantum of indigenous crude. According to rough estimates, the Bombay High may contain oil reserves enough to sustain a production of about 10 million tonnes per annum for about 15 to 20 years.

As per the details available on the third oil strike, the oil bearing horizon would be extended from a depth of 1383 metres to 1412 metres. Testing the horizon that is so far established, a flow rate of 2300 barrels a day with gas at 23,800 cubic metres a day, giving a favourable gas oil ratio of 65 to 1 may be achieved. The Oil and Natural Gas Commission (ONGC) intends to continue drilling down to a depth of about 2100 metres and expects to come across still more oil horizons. The oil recovered was low in sulphur content and had an oil gravity of 39.5 degrees API which is considered good.

Like the first two wells, the third strike too has been made by Sagar Samrat. The future programme of 'Sagar Samrat' includes drilling up to six of these exploratory wells this year on a time bound programme.

so that production wells might yield a million tonnes of crude by the middle of the next year.

Besides 'Sagar Samrat', ONGC plans to have another two drilling ships to be included in its fleet. It would then be in a position to drill 24 to 25 wells a year. Of the two drilling ships to be added, one is expected to be available by June this year while the second is expected to arrive at the end of the year. These would be 'floaters' as opposed to the 'Sagar Samrat' which is jacked up at a drill location. Such vessels cost between \$ 35 to 55 million for which a provision in foreign exchange would be made.

The total development cost of the Bombay High structure has been roughly estimated at Rs. 4000 to Rs. 5000 million to achieve a 10 million tonnes level of production. Of this estimated cost, a sizeable proportion may be in free foreign exchange. However, on the basis of availability of sufficient steel piping at indigenous level, the expenditure in foreign exchange is sought to be kept at manageable level.

One-third of India's requirements of crude oil at present are stated to be met from indigenous production while the remaining requirement is imported. The two principal agencies for oil exploration in India are the Oil and Natural Gas Commission an undertaking of the Government of India - and the Oil India Limited, which is a joint sector undertaking of the Government of India and the Burmah Shell Oil Company. ONGC has been producing a little over 40 million tonnes of crude per annum, while Oil India's production has continued to be at a steady rate of 3 million tonnes per annum. Oil India operates in a limited area in Assam and in Arunachal Pradesh, whereas ONGC has been operating in all the sedimentary areas of the country. The two oil exploring agencies have discovered till the year ending 1973 a total of about 175 million tonnes of recoverable oil reserves and have already given a cumulative production of about 60 million tonnes, leaving a balance of about 115 million tonnes, yet to be recovered. The available oil reserves are thus very inadequate in view of the fact that in another five years time, India's requirements of crude oil may be of the order of 40 to 43 million tonnes per annum.

The domestic production of crude oil was 7.20 million tonnes during 1973. The import of crude oil and products in 1973 was 13.39 million tonnes of crude costing Rs. 2424 million and 3.83 million tonnes of refined products valued at Rs. 990 million. The import bill for crude and refined products for 1974-75 was estimated by the Ministry of Petroleum and Chemicals at Rs. 13,000 million. Owing to frequent price rise declared by OPEC (Organisation of Petroleum Exporting Countries) India's import bill on this account is expected to rise upwards. The exploratory programmes at Bombay High and elsewhere are expected to bring down the requirements of imported crude to a much lower level than at present.

CAPACITY AUGMENTATION OF KORBA THERMAL POWER STATION

The present installed capacity of Korba Thermal Power Station in Madhya Pradesh will be augmented by one-and-a-half times with the installation of 1,20,000 KW Turbine Generator which is built by M/s. Bharat Heavy Electric Ltd. Limited (BHEL) Bhopal and is currently under erection.

This indigenous turbine generator is being erected by engineers of the Bhopal factory at Stage-III of Korba Thermal Power Project. This generator is nearly two-and-a-half times the capacity of the largest of the imported turbines already in operation at Stage-I and Stage-II of the Korba Project.

The power equipment for Korba Thermal Power Station for Stage-I was imported from West European countries and Japan and for Stage-II from USSR. Equipment for Stage-III of the project is being supplied from Bhopal.

The Korba Thermal Power Station, connected to the Madhya Pradesh Grid is feeding power to the eastern region of Madhya Pradesh covering, among others, Bhilai Steel Plant, Bailadilla and Bhilai Iron Ore Mines, Bharat Aluminium Plant at Korba and Coal Mines in Chirimiri and Korba area. The Iron Ore from Bailadilla is being exported to Japan.

The Stage-III of Power Project at Korba is the first Thermal Power Station in Madhya Pradesh being equipped with turbine generators built indigenously at the Bhopal plant of Bharat Heavy Electricals.

DEVELOPMENT OF INDIAN WOOL TO AVOID IMPORTS

It would be necessary for India to improve the quality of Indian wool so that import of apparel wool to the tune of Rs. 140 million a year could be avoided. It would be equally necessary to improve the lot of Indian shepherd who is poorer than the poorest in agricultural community. This was stated by India's Deputy Minister of Agriculture and Irrigation at the concluding session of the "Workshop for Management of Exotic Sheep", recently organized by the Ministry of Agriculture and Irrigation at the Indo-Australian Sheep Breeding Farm, Hissar.

India with a reputation for its carpet quality wool is at present exporting carpet wool and woollen goods worth Rs. 240 million. Improvement of indigenous sheep breeding would contribute not only to step up exports, but also to up-grade local stock to evolve a dual purpose breed, yielding more mutton and relatively better quality of carpet wool. It is with this object that an Indo-Australian Project on corriedale breeding was started in 1969. Rams produced from this farm would be made available to other farms and extension centres in India for the purpose of cross-breeding.

Ten large sheep breeding farms, each having an area 4 to 5 thousand acres with a capacity of about 5,000 sheep would be established in different States of the country by the end of the Fifth Five Year Plan. The objective of these farms would be to produce good quality rams for cross-breeding in the extension areas in selected States.

Under the UNDP programmes, Australian experts had contributed a great deal in the wool shearing, grading and marketing. The Indo-Australian Sheep

Breeding Farm at Hissar is going to be the main coordinating centre for future progress of wool shearing and grading in India.

The Government of India has a programme of establishing sheep and wool board/corporations so that each State could develop an excellent system of marketing which would ensure the farmer adequate remuneration for the quality of wool that he produces. The moment farmer understands that better quality of wool can fetch him more money, he would begin to take interest in his flock. It is felt that the Indo-Australian collaboration has created a new impact in this field and would further develop as symbol of international cooperation.

Australian experts had been most painstakingly working on this project and with their practical experiences of handling sheep, development of land and technique and scientific breeding, a long way in further strengthening this project could be covered.

PICTURE OF INDIA'S MAINTENANCE IMPORTS

While India's import trade was valued at Rs. 16,342 million in 1970-71, Rs. 18,245.40 million in 1971-72, Rs. 18,674.40 million in 1972-73 and Rs. 29,209.10 million (provisional) in 1973-74, the share of maintenance imports constituted 69.38 percent, 76.30 percent 80.25 percent and 70.80 percent respectively. In these years, the value of maintenance imports was Rs. 11,337.40 million, Rs. 14,014.20 million, Rs. 14,420.80 million and Rs. 20,685 million respectively.

On the maintenance imports, raw material and intermediate goods (excluding metals) accounted for Rs. 6542 million (40 percent), Rs. 7781.30 million (42.65 percent), Rs. 7910 million (44 percent) and Rs. 13,045.10 million (44.66 percent) in the respective years. The import share of components and spares in the maintenance imports was 13 percent (Rs. 2128 million), 15.33 percent (Rs. 2833 million), 18.50 percent

(Rs. 3323.40 million) and over 13 percent (Rs. 3818 million) in these years. The share of metals was 16.32 percent (Rs. 2667.30 million), 18.63 percent (3400 million), 17.74 percent (Rs. 3187.60 million) and over 13 percent (3822 million). Import value of iron and steel was worth Rs. 1471 million (9 percent), Rs. 2376 million (13 percent), Rs. 2171.40 million (12 percent) and Rs. 2425.60 million (8.30 percent) in these years. The value of non-ferrous metals was Rs. 1196.40 million (7.32 percent), Rs. 1024 million (5.6 percent), Rs. 1016.20 million (5.7 percent) and Rs. 1396.5 million (4.8 percent).

While the above was the picture of maintenance imports, the share of food, cereals and edible products, which was 14.85 percent in total imports in 1970-71 came down to 9.3 percent and 7.14 percent in 1972-73, but increased to over 18 percent in 1973-74. The import share of complete machinery and equipment consistently dropped from 11.94 percent to 10.93 percent, 9.82 percent and 9 percent. Likewise the share of essential goods in the total import trade dropped from 2.33 percent to 2.30 percent, 2.12 percent and 1.62 percent in the respective years under reference.

TOWARDS SELF-RELIANCE THROUGH DEFENCE RESEARCH

Ever since Independence, India's efforts have been towards achieving maximum independence in the most sensitive area of developing and producing items of strategic importance. To keep pace with the modernisation and sophistication of weapon systems and logistics in different types of terrain and climatic conditions prevailing in the country, the armed forces depend on sustained support from the Defence Research and Development Organisation. The aim of the Organisation is to undertake tasks of design and development of new weapons and equipment and modification of the existing ones for improving their effectiveness and to provide necessary scientific and technological support to the Defence Services. It also provides technical support to civil industry and thereby helps in indigenous production.

Employing about 2700 scientists and technologists and more than 5,000 supporting scientific and technical staff, the Defence Research & Development Organisation has a network of 32 main Research & Development establishments and laboratories located all over India. Each establishment is responsible for research and development in specified areas of defence interest and related technologies.

The Defence Research & Development Organisation is basically equipment-oriented and is engaged in the development of weapons, equipment and materials required by the Defence Services. The type of projects undertaken by DRDO Laboratories and Establishments fall into two categories, viz. staff projects which are taken up to develop specific items of hardware based on the requirements projected by the Services and RD Projects taken up by DRDO at its own initiative for building up expertise in specific areas to enable it to undertake sophisticated projects in future. The DRDO has achieved a fairly high degree of competence in various fields of advanced technology relating to conventional weapons and equipment. Several measures have been taken to build up a viable infra-structure in certain newer areas of technology.

Having established a fairly broad technological base in the field of conventional weaponry, the DRDO is now devoting greater attention to more sophisticated fields such as, rocketry, missiles, aeronautics and underwater weaponry. In the field of rockets and missiles, emphasis has been placed on the work in the fields of propulsion, control and guidance. Substantial progress has been made in the development of inertial navigation systems and liquid propulsion rocket engines. Work has also been done to establish liquid propellant test facilities and facilities for the production of an important liquid rocket propellant have been set up on a pilot plant basis.

In the field of aeronautics, a number of feasibility studies have been carried out to assess the future requirements of the Services for training pilots for various roles. A Missile target which can simulate an attacking enemy aircraft is being developed and an unpowered prototype of the same has been successfully released from Canberra aircraft. Flight research simulation facility which is an invaluable aid in design and development of aircraft

systems is being set up. Work on Head-up display system which enables the pilot to have a visual view of important flight parameters is progressing satisfactorily. DRDO has been working on concepts involving advanced technologies and futuristic aircraft systems.

In the field of Naval technology, emphasis is being laid on the development of Sonars and marine biology. Some of the important tasks completed where the end-products have gone into production are Sonobuoy which helps in Submarine detection galvanic, anodes for cathodic protection of ships, heavy duty non-slip deck composition for weather decks and helipads for Naval ships. Expendable bathythermograph equipment for measuring temperatures in the sea from a moving ship and a diver held sonar for use by divers to locate submerged bodies in the ocean using acoustic means are in the advanced stages of development.

With notable advancement in the warfare strategy, a fighting force has to extend its eyes and ears much beyond the physical limits and this is possible only with the aid of electronics. The Services need better equipment for communication, air defence, fire control, counter measures, detection and identification of aircraft. The important electronics equipment designed and developed by DRDO include radars for field artillery and surveillance role for Infantry, ground equipment for establishing identity of enemy or friendly aircraft, sound ranging devices for location of enemy positions and paratropped stores, moving target for tracking low flying aircraft. Wireless sets and field telephone systems for communication in the operational areas have also been developed.

In the field of armament, the DRDO has been engaged in the design and development of guns, fuses, devices for clearing antipersonnel mines, ammunition of various types, propellants and night vision instruments for tanks. The development of a field gun and VT fuses for guns need special mention. The organisation has taken up a large number of engineering products to assist the Services in keeping roads open to vehicular traffic for the maximum period of the year, specially in the snow bound areas. Sufficient stress has

been laid in developing prefabricated shelters and assault bridges of different types.

The Defence Research and Development Organisation has taken up a number of projects dealing with armoured fighting vehicles and field vehicles. A number of vehicles and equipment have been designed to meet various requirements of the Services for carrying personnel, weapons and equipment. A significant breakthrough has been achieved in the indigenous development of armoured personnel carrier and its various specialist roles. An effort has been made to design and develop higher capacity vehicles which has resulted in fabrication of vehicles of 7 ton in 4×2 version and 5 ton in 4×4 version for cross country as well as plain roads. Other equipments developed which have gone into production include mounts for various guns, bulldozer equipment on Vijayanta. Prototypes of 20 ton and 50 ton trailers are under trials before bulk production.

In order to meet the needs of special materials in the areas of aeronautics, missiles, electronics and instrumentation, for example, high temperature alloys, high strength steels, titanium and its alloys, special permanent magnets, high strength light alloy castings and so on are required. Some of these materials have been developed by DRDO. The Government is considering to set up a production plant to manufacture these special materials and super alloys.

Defence Research and Development efforts have led to considerable self-sufficiency in the country's requirements of paratropping parachutes, supply dropping parachutes, heavy equipment paratropping system, break parachutes and other allied equipment required by the three services. A substantial headway has been made in the production of basic textiles materials required for all types of parachutes. One of the special heavy load dropping systems developed by the Defence Research and Development Organisation was successfully used during the 1971 operations. The system cuts short the number of aircraft sorties and cost and operation time. □

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LARGE SOVIET ORDER FOR CABLES

A contract for the supply of 700 kilometres of aluminium power cables valued at Rs. 70 million from India has been signed recently with the Soviet Union. Claimed to be the single largest contract for export of this non-traditional item to the Soviet Union in the current year's Trade Plan so far, the order is to be executed by a consortium of Indian private firms.

Aluminium cables have figured in Indo-Soviet trade since 1968 and their export is stated to have reached substantial proportion in 1974 when Indian firms exported about 500 kms. of the item.

India's export of cables and wires amounted to about Rs. 110 million during 1973-74. In the first eight months of 1974-75 (April-November 1974), the export value was estimated at Rs. 88.3 million as compared to Rs. 64.8 million in the corresponding period of 1973-74. Of the large variety of wires and

cables exported by the country, insulated cables and wires and power aluminium conductors (ACSR) have secured increasing markets abroad in recent years. U.S.S.R. has been the foremost buyer, followed by Iran, Sri Lanka, Qatar, Federal Republic of Germany, Arab Republic of Egypt, Sudan, Tanzania, Kuwait, Australia and Singapore.

The Consortium of cable manufacturers of India, Calcutta, have succeeded earlier in securing successive contracts from the Soviet Union for the supply of cables of varying categories.

The cables and wires industry in India has witnessed notable progress in recent years and is categorised as one of the priority industries selected for development in the country. The installed capacity as well as the production turnover of the leading categories of cable manufactures by the Indian industry during 1973 were as follows: AAC/ACSR conductors 106,850 tonnes and 58,000 tonnes; enamelled winding wires 20,194 tonnes and 15,000 tonnes; paper covered winding wire 15,580 tonnes and 5,220 tonnes; PILC/PVC power

cables 21,310 kms and 15,000 kms; PVC/VIR cables 1,213 MCM and 620 MCM and dry core cables 4,000 kms. and 3,000 kms; coaxial cables 4,250 kms. and 800 kms. and bare copper conductors 14,200 tonnes and 1,000 tonnes.

PHARMACEUTICAL GOODS IN EXPORT TRADE

The export value of pharmaceutical goods which amounted to barely Rs. 4.42 million in 1971-72, rose to nearly Rs. 7.50 million in 1972-73 to attain a peak level of Rs. 16.30 million during 1973-74.

The products exported in this group during 1973-74 included adhesive and other bandages, adhesive tapes, medicated lint, plaster of paris, dental cement and other dental fillings, kits for first aid boxes, kaolin poultice and sterile surgical catgut. Adhesive and other bandages, however, constituted the major export item with an earning of about Rs. 14.80 million. Poland, Bangladesh, Syria, Italy, Thailand, Zambia, U.K., Kenya, Japan, Kuwait and Malawi were the major importing countries.

In the context of these overseas supplies, M/s. Jayer and Company (Ghospara Road, Patta, Barrackpore, near Calcutta), established in 1947, has a record of consistently rising export turnover in recent years. From merely Rs. 0.36 million in 1969-70 when the company entered the export field for the first time, their foreign exchange earning improved to Rs. 1.45 million in 1970-71 to increase further to Rs. 1.85 million in 1971-72 and Rs. 2.93 million in 1972-73. In 1973-74, the exports of the firm attained a still higher level of Rs. 7 million. Even during the first seven months of the current financial year, the export earning of the firm totalled Rs. 9.2 million while orders on hand are reported to be of the value of nearly Rs. 25 million. During the entire current year, their exports are estimated to touch a level of Rs. 15 million. In fact, today, about 80 per cent of the firm's total production is claimed to be earmarked for overseas markets. The product range of the firm includes surgical and cotton guaze absorbent and bandages.

EXPORT SUCCESS IN COTTON TEXTILES

Export of cotton manufactures (excluding yarn, thread and clothing) from India nearly doubled to Rs. 2353 million in 1973-74 from Rs. 1267 million in the preceding year. Of this, millmade piecegoods earned as much as Rs. 1611.54 million in 1973-74 against Rs. 851.15 million in 1972-73. Handloom piecegoods improved their export value to Rs. 320.57 million from Rs. 165.38 million in 1972-73. Besides piecegoods,

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other woven cotton fabrics, excluding narrow or special fabrics, fetched Rs. 47.68 million in foreign exchange compared to Rs. 17.67 million. Tulle, lace, embroidery, ribbon, trimmings and other such small goods of cotton secured Rs. 21.64 million against Rs. 10.54 million. The same trend was noticeable in case of special cotton fabrics (including related products) and floor coverings and tapestries. These brought in Rs. 15.95 million and Rs. 17.39 million respectively during 1973-74 in contrast to Rs. 6.21 million and Rs. 10.86 million in the preceding year. Other made-up articles (wholly or chiefly of cotton) including bags and sacks, tarpaulins tents, blankets bed-sheets, counterpanes, napkins, pillow cases, table cloth covers, towels, bed linens, curtains, mosquito nets and netting also secured more at Rs. 318 million against Rs. 205.28 million.

Indian cotton manufactures find their way to almost all countries of the world. Major buyers include Afghanistan, Saudi Arabia, Bangladesh, U.K. and other EEC countries, Sweden, U.S.S.R., Poland, Canada, Australia, New Zealand, U.S.A., Federal Republic of Germany, France and Czechoslovakia. During 1973-74 Japan also emerged as a major buyer for Indian cotton textiles. The purchases by Japan during the year amounted to 46.6 million sq. metres valued at Rs. 115 million as against hardly 2 million sq. metres at value of Rs. 4.30 million in the preceding year.

In tune with the sharp improvement in cotton manufacture exports, one of the manufacturers in the line, M/s. Standard Mills Co. Ltd. (Mafatlal House, Backbay Reclamation Bombay 20) have succeeded in stepping up their exports by 100 percent to nearly Rs. 38.90 million during the first three quarters of 1974-75 compared to those of the corresponding period in the preceding year. The firm's total sales for the period at Rs. 396 million have also revealed a 28 per cent rise over the same period last year.

Besides manufacture of cotton textiles, the firm is also manufacturing caustic soda, caustic potash, liquid chlorine, hydrochloric acid and ethol chloride. Lately, it is reported to have received official permission to step up the capacity of its caustic soda plant by 100 tonnes a day.

Yet one more unit, engaged in production of cotton manufactures, M/s. Morarji Gokuldas Spinning Weaving Co. Ltd. (Dr. Ambedkar Road, Parel, Bombay) was also able to earn Rs. 8 million in foreign exchange in 1973-74. The firm has two textile mills engaged in the manufacture of drills, khadi blue and bleached longcloth, mercerised satins, coatings, sarees, shirtings and printings.

Production of cotton textiles in India attained a peak level of about 8088 million metres in 1972 as against 7356 million metres in 1971. In 1973, it suffered a set back at 7808 million metres. Of the total production in 1973, the mill sector accounted for 4154 million metres while the share of decentralised sector was of order of 3654 million metres.

The industry has in its infrastructure 688 mills comprising 398 spinning mills and 290 composite mills (July 1973). The installed capacity of both the categories of mills totalled 18.45 million spindles. Of this spinning mills had a total installed capacity of 6.20 million spindles while that of composite mills was about 12.25 million spindles. In all, the industry has 206,295 looms installed.

EXPORT ORDER FOR TEREX REAR DUMPS

Testifying to the growing reputation of the Indian automobile industry as a competent supplier of automobile products in overseas markets, M/s. Hindustan Motors, Ltd., (India Exchange, 4, India Exchange Palace, Calcutta 1) have secured an export order from U.K. for 12 terex 25 ton capacity rear dumps. Valued at Rs. 5 million, payable in Pound Sterling, the order has been won against stiff competition from renowned manufacturers in other countries, it is stated.

The order which has already been fulfilled is the third one of its kind to be executed by M/s. Hindustan Motors. The first one pertained to supply of seven rear dumps to New Zealand. The firm is currently negotiating for bigger orders with various countries in West Asia, Europe and Far East.

Total exports of transport equipment from India amounted to Rs. 401.40 million in 1973-74. Of this, road motor vehicles alone accounted for about Rs. 150 million. The production profile of the India automobile industry includes a complete range of ancillaries and parts besides complete vehicles, such as, trucks and tractors. The production of automobiles was of the order of 97,600 numbers in 1973 as compared to 80,500 numbers and 90,800 numbers in 1972 and 1971 respectively.

EXPORT PERFORMANCE AND POTENTIAL

INDO-PAK TRADE AGREEMENT CONCLUDED

A Trade Agreement and a Memorandum of Understanding have recently been concluded between India and Pakistan.

The Trade Agreement comes into force with immediate effect and will be valid for one year but will be extendable by another two years.

In pursuance of the Memorandum of Understanding between the two Governments, which inter alia provides for banking arrangements, representatives of the State Bank of India and the National Bank of Pakistan have also agreed upon and signed the working arrangements for remittance facilities between the two countries in regard to trade.

The Trade Agreement and the Memorandum of Understanding have been concluded in pursuance of the Simla Agreement (July 1972) and the Trade Protocol (November 30, 1974) signed between the two countries. The trade Protocol stipulated that the trade between the two countries would be in convertible currency and, to begin with, generally on a Government to Government basis or through Government controlled trade corporations of the two countries. Further, the Protocol provided that the trade would

be on the basis of the Most Favoured Nation treatment in accordance with the provisions of the General Agreement on Tariffs and Trade (GATT). It also noted the possibilities of trade between the two countries in items like cotton, engineering goods, jute manufactures, iron ore, railway equipment, rice and tea.

CLOSER ECONOMIC LINKS WITH IRAQ

Following the recent visit of India's Prime Minister to Iraq, a joint communique was issued expressing mutual confidence in increasing possibilities of collaboration between the two countries in the development of the oil industry, setting up of industrial and transportation projects and developing potential of agriculture and water resources in Iraq as also to forge closer trade links between the two economies. The communique reiterated India's assurance to Iraq of continued cooperation in providing technical training to Iraqi personnel in India and in deputing qualified Indian experts to Iraq in accordance with the growing developmental needs of the Iraqi economy. The joint communique also stated that the two sides reviewed the implementation of the agreements reached between them during the visit to India of the Vice-President of the Revolutionary Command Council of Iraq in March 1974 as also at the first session of the Indo-Iraqi Joint Commission on economic and technical cooperation held at Baghdad recently. While calling on the developed countries to place their economic relations with developing countries on an equitable and just basis, the communique re-affirmed the conviction of leaders of both the countries that they would endeavour to strengthen economic and technical cooperation among themselves in order to achieve all round economic progress.

As a result of the discussions that India's Prime Minister had with the Governmental authorities of Iraq, bilateral economic cooperation is to receive a boost. An official Iraqi delegation is to visit India next month to discuss the possibilities of supplying pelletised iron ore for the sponge iron plant to be set

up in Iraq. Iraq has offered to extend financial assistance for stepping up pelletised ore manufacturing capacity in India. The possibility of setting up new technical institutions with Indian assistance and expansion of the existing institute at Baghdad also figured in the discussions, it is learnt. It is further expected that some projects for water development in the western area of Iraq might be agreed upon on the basis of studies already carried by Indian engineers. In addition to the four hundred technical experts, a large number of Indian teachers are working in Iraqi Universities, especially Basrah, Mosul and Sulaimaniyah. Under the 1973 Agreement, India is also providing training to Iraqi students in technical institutions in India in the fields of agriculture, irrigation and industries.

India has been importing crude oil and dates from Iraq in return to exports of tea, textiles, chemicals and engineering products. Indian exports to Iraq totalled Rs. 198.86 million during 1973-74 as compared to Rs. 100.21 million in 1972-73. In these years Indian imports from Iraq amounted to Rs. 612.4 million as compared to Rs. 66 million respectively.

The major commodities of exports in 1972-73 were tea (Rs. 37 million), machinery and transport equipment (Rs. 31 million).

With the launching of development programmes in Iraq in late 1960s, Indian exports witnessed a trend which was at once indicative of expansion and diversification. The Indo-Iraq economic and technical cooperation agreement which was signed in April 1973 provided a further filip to improve the prospects of closer commercial collaboration between the two economies.

In the machinery sector, the market of Iraq offers considerable potential for India's electrical and non-electrical equipment. The important items, in this category, being imported from India are insulated wires and cables, radio broadcast receivers, microphones, loudspeakers, electric fans, batteries, diesel engines, pumps, sewing machines and parts, and electrical motors. Export success of M/s. Bharat Heavy Electricals Limited, a public sector undertaking in India in supplying 2500 h.p., synchronous induction motors to the

Government of Iraq is only an example of the recognition of the Iraqi market for India's electrical equipment. The large development programmes being undertaken in Iraq necessitate imports of a steadily increasing volume of various types of machinery and the Indian industry is indeed in a position to meet the growing demand.

The iron and steel industry is another example in which the economy of Iraq resorts to large scale import. The important items of supply by India are carbon steel, alloy steel, iron and steel tubes and pipes, iron and steel wire rods, iron and steel bars, cast iron pipes etc.

Transport industry is yet another example in which Indo-Iraqi cooperation has borne fruit. Iraq sought Indian assistance in completing a railway project from Baghdad to Aksaba at an estimated cost of about Rs. 1500 million. Indian Railways hope to extend the cooperation in the several railway projects that the Iraqi economy is contemplating.

Among recent examples of Indo-Iraqi economic cooperation, mention may be made of a large cement factory at Kooja by a private cement company of Bombay. Another firm in Bombay dealing with electricals entered into a collaboration agreement with M/s. State Electrical Industries Limited of Baghdad for progressive manufacturing of ceiling fans in Iraq. A number of other projects with Indian collaboration in Iraq have been in various stages of study. These projects relate to the manufacture of cement, sponge iron, textiles, steel mill, fertilizers and oil refining.

ECONOMIC COOPERATION WITH TANZANIA

At the end of the recent visit to India by the Prime Minister and the second Vice-President of the United Republic of Tanzania, a joint communique was issued re-affirming the mutual desire of the two countries to promote economic collaboration. The visiting Prime Minister expressed appreciation of the

industrial development taking place in India, particularly in the field of small industries, housing schemes and education. The progress made by India in agriculture and in science and technology was also acknowledged. Among the industrial centres that the Tanzanian Prime Minister visited in India were the Okhla Industrial Estate, and the Indian Agricultural Research Institute in New Delhi and the Weaving Centre (Gharunda near Delhi); Hindustan Machine Tools, Bharat Electronics and Hindustan Aeronautics Limited, all the three in Bangalore and the Bhabha Atomic Research Centre, Bombay.

The joint communique expressed the satisfaction of both the countries at the level of mutual cooperation already reached by them in economic technical and scientific fields and agreed to further expand this cooperation and to hold regular consultations to achieve this objective. Accordingly, an agreement was signed to set up a joint commission at Ministerial level to review and further extend economic, technical and scientific cooperation between the two countries. It was decided in this context that a special study should be made in the fields of fisheries, oil, mineral exploration and in the training technical of personnel.

Indian exports to Tanzania amounted to Rs. 68.60 million in 1973-74 as compared to Rs. 30 million in 1972-73. In these years India's import trade from that country was of the order of Rs. 290 million and Rs. 280 million respectively.

Major items of exports from India to Tanzania are medicinal and pharmaceutical products, paper, paper-board and manufactures, jute manufactures, iron and steel, manufactures of metals, machinery (other than electric), electric machinery, apparatus and appliances, transport equipment, developed cinematographic films, cotton piecegoods and so on.

India's import trade consists of mostly raw cashew-nuts, sisal fibre, wattle extract, pearls and precious and semi-precious stones (worked and unworked).

Bonds of industrial cooperation between the two countries have been of late strengthened. India is helping Tanzania in the setting up of small scale

industries and industrial estates. India can also render assistance in the fields of oil industry, coal industry, agricultural research and textile industry.

National Industrial Development Corporation of India have entered into a five year technical assistance agreement with National Development Corporation of Tanzania and have already undertaken feasibility study for the manufacture of machine tools, agricultural machinery and farm implements.

SECOND INDIAN SEA FOOD TRADE FAIR

A trade fair of Indian Sea Foods is scheduled to be organised by the Marine Products Export Development Authority at Cochin during February this year. The Authority will organise the Fair in association with the Sea Food Exporters Association of India.

The Fair is expected to enable foreign buyers to meet the leading Indian sea food exporters and packers and explore new avenues of business, display the new range of products available from the Indian seas, provide foreign companies an opportunity to meet the Indian sea food processors and machinery manufacturers and discuss possible areas of collaboration, explore possibilities of joint ventures, exchange views with officials of quality control agencies and financial institutions and stimulate interest in diversification of Indian marine products. The first Indian sea food Trade Fair was held at Bombay in November 1973.

Cochin has been selected as the venue of the second Fair in view of its importance in relation to the sea food industry as also its easy accessibility to other important product centres, namely, Quilon, Alleppey, Calicut, Mangalore, Goa, Tuticorin and Madras.

Delegates from all over the world are expected to participate in the Fair and all the major Indian exporters, processors and packaging specialists are also to attend the same.

TRADE WITH BURMA UNDER SPECIAL PAYMENT ARRANGEMENTS

Trade between India and Burma is to be conducted under the special payments arrangement finalised in 1974. Exports from India to Burma and imports into India from Burma will be allowed in respect of commodities produced in India or Burma as the case may be as specified in a detailed procedure to be followed for effecting payments for imports and receiving payments for exports up to fixed ceilings indicated against each commodity.

Exports from India to Burma are to be made against irrevocable Documentary Letters of Credit in Indian rupees opened by BANKFORE (Union of Burma Bank) with Punjab National Bank (PNB) of India and its branches in India or any other authorised dealers in India in favour of the Indian exporters. In case where the letters of credit are opened with branches of Punjab National Bank or with other authorised dealers in foreign exchange, a copy of such credit is to be forwarded to the head office of the Punjab National Bank (Parliament Street, New Delhi) which shall make payments and/or reimbursement to Indian exporters or to their negotiating branches, or to other authorised dealers.

Persons who are eligible to export goods from India under the arrangements are required to negotiate with the eligible importers in Burma and the export invoices should be expressed in Indian rupees.

Payments for imports from Burma into India are to be made by means of irrevocable documentary letters of credit in Indian rupees opened by PNB, New Delhi or its branches in favour of the Burmese exporters advised through BANKFORE. In cases where letters of credit are opened by branches of PNB other than through Parliament Street New Delhi office, copies of such credits should be furnished to the PNB office in New Delhi.

The sales and purchases would be on f.o.b. basis and payment on account of freight and insurance on the exchange of goods under the arrangement would be in convertible currency.

During 1975, the items selected for export from India to Burma are cotton yarn, cotton fabrics, pharmaceuticals including Ayurvedic medicines, sandalwood, chemicals and dyes with not less than 70 per cent Indian content, mild steel (flat bars, round bars and faggot steel), electrical goods (mainly internal wire cables, switches and fittings, excluding copper materials, cables and wires) and builder's hardwares (G.I. pipes and wirenails). The items to be imported from Burma into India are rice and rice products, pulses and beans, urea fertilizers, animal foodstuff, minerals and ores, hides and skins.

Indian exports to Burma amounted to Rs. 15.39 million during 1973-74 as compared to Rs. 43.26 million in 1972-73. In these years imports from Burma into India totalled Rs. 0.65 million and Rs. 20.55 million.

INDO-U.S. TRADE COLLABORATION

The United States of America which accounts for 12 per cent of world exports and 14 per cent of world imports every year is one of the most leading trading partners of India. About 14 per cent of Indian exports were in the direction of the U.S.A. and 17 per cent of the Indian imports emerged therefrom in 1973-74. Notwithstanding the increase in Indian exports year after year to that country, there has been a fall in India's share in the U.S. market—2.65 per cent in 1951 to about 0.63 per cent in 1973. In 1968-69, Indian exports to U.S.A. were valued at Rs. 2344 million while her imports from U.S.A. were Rs. 5724 million in the same year. In 1973-74, Indian exports to U.S.A. rose to Rs. 3428 million while her imports from that country stood at Rs. 4934 million. There has been a consistent adverse balance of trade against India excepting during 1972-73 when Indian exports amounted to Rs. 2757 million and her imports were only Rs. 2246 million.

A brief review of the compositional pattern of India's exports to U.S.A. would indicate that the range of exports has been rather narrow and largely dependent on traditional items such as jute manufactures,

cashew kernels, textiles, fish and preparations, pearls, precious and semi-precious stones. During 1973-74, the export value of jute manufactures was in the neighbourhood of Rs. 945 million. Cotton manufactures excluding yarn and thread as well as clothing, earned Rs. 394 million. The group of fruits (fresh and nuts) secured Rs. 257 million. Export trade in fish was nearly Rs. 224 million. Sugar exports amounted to Rs. 104 million while the exports of coffee were valued at Rs. 113 million, pearls, precious and semi-precious stones Rs. 214 million, spices Rs. 103 million, clothing Rs. 160 million, floor coverings Rs. 94 million, iron and steel Rs. 36 million, leather Rs. 83.50 million, works of art Rs. 94 million; meat and meat preparations Rs. 46 million, tea Rs. 58 million, textile yarn and thread Rs. 16.5 million, travel goods including handbags Rs. 12.4 million, footwear Rs. 25.3 million, fixed vegetable oils and fats Rs. 29 million, machinery other than electric Rs. 10.76 million, medical and pharmaceutical products Rs. 9.5 million, transport equipment Rs. 5.9 million, raw cotton Rs. 11.2 million, electric machinery, apparatus and appliances Rs. 4.3 million and so on.

As for imports from U.S.A. in 1973-74, the value of wheat was worth Rs. 1947 million. The import value of other cereals was Rs. 714 million, machinery other than electric Rs. 464 million, electrical machinery and appliances Rs. 158 million, transport equipment Rs. 222 million, manufactured fertilizers Rs. 365 million, chemicals and compounds Rs. 130 million, soyabean oil Rs. 107 million. Among other commodities imported in the year from the U.S.A. were, animal oils and fats, iron and steel, pulp and waste paper, crude fertilizers, medical and pharmaceutical products, photograph and cinematographic supplies, medical and optical instruments, metal manufactures, cereal preparations, plastic materials, synthetic rubber, copper and paper and paperboard.

While the general uncertainties arising from the world monetary situation had their effect on Indian exports to various countries including U.S.A. also, the export volume to U.S.A. has not been decreasing; instead it has been increasing since 1970-71. Many steps have been taken from time to time to improve the trade exchanges between India and U.S.A.

In February, 1974 an agreement was signed between India and the U.S.A. on disposal of U.S. rupee funds providing for purchases by the U.S.A. of Indian goods and services totalling up to \$ 100 million over a period of five years. Payments for these purchases are to be made to the extent of 25 per cent from U.S. rupee funds, the balance being payable in free foreign exchange. The underlying intention is to sell under this agreement non-traditional items from India involving additionality of exports.

India's export effort is assisted by the various Export Promotion Councils and Commodity Boards. The Trade Development Authority (TDA), set up in 1970, aims at export promotion to selected markets, mainly for non-traditional items and the list of markets in the TDA's programme includes U.S.A. and Canada. Besides, several Indian export organisations have offices in American cities such as the office of the State Trading Corporation of India in New York, Tea Board in New York, Engineering Export Promotion Council in Chicago, Indian Jute Mills Association in New York, Handicrafts and Handlooms Export Promotion Council in New York and the office of the Trade Development Authority also in New York. The Government of India's Tourist Office, Air India, State Bank of India and Indian Investment Centre also have branches in U.S.A. All these offices have the ultimate objective of improving economic collaboration with that country.

Several market orientation tours were sponsored by the Government of India with the assistance of US AID, UNDP and ITC under which representatives of selected manufacturers and exporters of specified products visited various importing countries including the U.S.A. The product groups covered in such tours were finished leather and leather products, processed foods, spices, handicrafts, automotive ancillaries, marine products, plastics and light electrical goods. Also teams representing hand cutting tools, machine tools and castings and forgings visited the U.S.A. among other countries. These visits enabled the team members to study the market in depth and paved the way for sustaining and improving business.

The Department and Chain Stores of U.S.A. play an important role in marketing in that country. One of the biggest Department Stores, M/s. Sears

Roebuck, were granted permission in 1970 to set up a buying office in New Delhi. Another leading department store, M/s. Altmen and Company is represented in India by M/s. Asian Antique Arts and Handicrafts, New Delhi. M/s. Macy's of New York is another large Department Store which has regular procurement arrangements in India with Banaras Art House, Delhi as their purchasing agent in India.

These various efforts are aimed at identifying the specific product groups that are of import interest in U.S.A. with a view to expanding and diversifying Indian exports to that market.

The formation of the Indo-U.S. Joint Commission pursuant to the visit of the U.S. Secretary of State to India in October 1974 marked an important step forward towards Indo-U.S. economic collaboration.

ENCOURAGING TREND IN SILK EXPORTS

Uptrend in the export of silk and silk goods during the full year of 1973-74 has been sustained during the first quarter of the following year also. During April-June 1974, the exports secured Rs. 34.78 million as against Rs. 25.70 million during the corresponding period of the preceding year registering an increase of 35 per cent. Quantitatively, about 2.50 million square metres and 1.36 million square metres were supplied abroad in the respective periods.

Itemwise, export performance during April-June 1974 indicates that mulberry silk goods fetched Rs. 29.50 million against Rs. 21.27 million (April-June 1973) while tasar silk goods earned Rs. 5.27 million against Rs. 4.43 million.

Regionwise export position during April-June 1974 was : West Europe Rs. 24.30 million against Rs. 15.10 million (April-June 1973); Asia Rs. 4 million against Rs. 3.5 million; America Rs. 2.30 million against Rs. 2.20 million; Oceania Rs. 1.2 million against Rs. 2.4 million and Africa Rs. 2.9 million against

Rs. 1.9 million. Besides, East Europe also imported silk goods during the period.

During the full year of 1973-74, the exports were of the order of Rs. 123.70 million as against Rs. 83 million during 1972-73. The export improvement during 1973-74 was of the order of 49 per cent. Of the total exports during 1973-74, mulberry sector accounted for Rs. 103.97 million while the share of tasar sector was of the order of Rs. 19.77 million. Thus the export target for 1973-74 at Rs. 120 million was achieved.

Additionally, silk waste exports brought in increased foreign exchange at Rs. 21.10 million during 1973-74 against Rs. 8.4 million during 1972-73. During 1973-74, raw silk and spun silk yarn was also introduced in export market which secured Rs. 1.1 million. Thus contribution of all the items of silk including silk waste amounted to Rs. 145.96 million in 1973-74 as against Rs. 97 million in 1972-73.

During the full year of 1973-74, West Europe's purchases were of the order of Rs. 74.90 million. Asia bought worth Rs. 15.60 million, America Rs. 12.60 million, Oceania Rs. 10 million, Africa Rs. 9 million and East Europe Rs. 1.2 million.

EXPORT POSITION OF GEM AND JEWELLERY

India's export trade of gems and jewellery registered marginal improvement during the first eight months of 1974-75 (April-November, 1974), as compared to the corresponding period of the preceding year. The export value in these periods stood at about Rs. 683 million and Rs. 667.4 million respectively.

While there was a marginal decrease in the export of diamonds which was the principal item of export in the line, encouraging improvements were recorded in respect of other items, namely, pearls, precious and semi-precious stones, gold jewellery, non-gold and imitation jewellery and synthetic stones. The export value of diamonds was of the order of Rs. 543.7 million

during April-November 1974 as compared to Rs. 544.5 million in the same period of the preceding year. The value in respect of precious and semi-precious stones was Rs. 106.8 million as compared to Rs. 103.3 million, non-gold imitation jewellery Rs. 20.5 million against Rs. 12.5 million, gold jewellery Rs. 6.26 million against Rs. 3.3 million, pearls Rs. 5.94 million against Rs. 3.68 million and synthetic stones Rs. 643,000 against Rs. 145,000.

U.S.A. was the largest importer of the gem and jewellery from Indian during the period under review. The American offtake was valued at Rs. 165 million of which cut and polished diamonds accounted for Rs. 131 million. Belgium was the next best buyer at Rs. 137.44 million. Hong Kong, Japan, U. K., Switzerland, France and Singapore were the other major buyers in that order.

During the full year of 1973-74, India's gem and jewellery industry secured foreign exchange worth Rs. 1050.50 million as against Rs. 718.80 million during 1972-73. In the total export realisation during 1973-74, diamonds earned Rs. 861.60 million against Rs. 589.60 million (1972-73), precious and semi-precious stones Rs. 155.70 million against Rs. 104.60 million and imitation jewellery Rs. 20.79 million against Rs. 8.67 million. Besides, pearls, gold jewellery, non-gold jewellery and synthetic stones also figured in exports.

TREND IN TEA EXPORTS

India's export trade in tea during the first five months of 1974-75 (April-August 1974) amounted to Rs. 642.60 million, registering an increase of Rs. 193.40 million over the export performance during the same period of 1973-74 at Rs. 449 million. In terms of quantity also the exports registered an increase of 20 million kgs during April-August 1974 at 78.50 million kgs. against about 58.50 million kgs. (April-August 1974).

During the complete year of 1973-74, Indian tea brought in foreign exchange at Rs. 1450 million which

was lower by about Rs. 80 million as compared to total exports during 1972-73. The shortfall in the exports during 1973-74 can be attributed to strikes in tea warehouses as well as in Calcutta port during July-August and September 1974 as also to oil crisis which resulted in non-availability of ships on a regular basis to Indian tea exporters.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

MODERNISATION OF SMALL-SCALE INDUSTRIES IN INDIA

The growth of small-scale industries during the last two decades is a striking success story in India's planned economic development. The growth has been not only in numbers, employment and production, but more importantly, in sophistication and quality. From buckets and shoes, the small-scale industries have entered an era of sophisticated electronic items and precision tools. They are successfully competing with large-scale producers of several products, both in the local and foreign markets. The small-scale sector has made a name for itself in a variety of products like bicycles, sewing machines, automobile parts and accessories, hosiery, diesel engines, hand-tools, leather goods, sports goods, builders' hardwares, glass and ceramics, ready-made garments, plastic products and so on.

No doubt, the progress made by the small scale sector is impressive. But to be able to compete with large and medium scale industries as also to fully reap the benefit of growing world demand for the products which are or can be produced by them, the small industries in India would have to modernise their units, improve their productivity and quality and reduce costs. The Government of India has, in this connection, decided to follow a selective approach to modernisation, in view of the limited resources availa-

able and the immensity of task. The approach is to start with a few industries which are well developed in the small-scale sector, have wide internal markets and good export potential. On this basis, a group of ten industries has been selected for attention during the first year of the Fifth Plan (1974-75 to 1978-79). These industries include machine-tools, automobile components and accessories, castings and forgings, electrical appliances, hosiery and knitwear, bicycles and bicycle parts, hand tools, leather and leather goods, scientific instruments and storage batteries. It is proposed to take up additional items for the modernisation programme every year. The modernisation programme involves the identification of problems on an industry basis and also at the unit level. Every effort is sought to be made to give assistance in a package form and on a scale adequate enough to produce the best results. Such assistance will include supply of new machinery and equipment on hire-purchase terms, raw materials (both imported and indigenous), credit facilities, training of personnel etc.

In addition to the assistance available from the Government, banks or promotional agencies, the major thrust towards modernisation has to emerge from the entrepreneurs themselves. While some of the small entrepreneurs are keen to improve and innovate, many of them need guidance and practical steps for achieving the aim of modernisation. With this in view the motivational programme has been chalked out for growing a suitable environment for modernisation and conducting the small industrialists in groups through media such as seminars, workshops and training course. The Central Small Industries Organisation (CSIO) and the State Directorates of Industries are engaged in this task. Also as part of the exercise for identification of problems, it has been proposed to conduct quick in-plant studies for 2700 selected small units and detailed in plant studies for 300 units during each year of the Fifth Plan. It is estimated that about 15,000 small scale units would be covered by the proposed planned studies during the Fifth Plan but the benefits of the modernisation programme are expected to be made available to about 50,000 small units during the plan period.

(Based on an article issued by the Development Commissioner, Scale Industries, Government of India.)

LARGE GAS FIND IN TRIPURA

The largest source of gas so far discovered in India has been found in the 25 mile long Baramura structure at Agartala in Tripura. This has been recently disclosed by the Indian Minister of Petroleum and Chemicals who said that the country might be self-sufficient in gas and oil by 1980.

The prospects of gas and oil are stated to be bright at several places in Tripura, Assam and North of Brahmaputra river where drilling operations are already on. At Baramura drilling has been done at one point and three others had to be completed for quantitative estimation of gas deposits at the structure.

In view of the prospects of availability of oil and gas in the North East region of the country, the Government of India have come to pay special attention to undertake exploration work in that area. In Assam, for instance, 25 rigs are expected to be in operation in the course of 1975 and by the end of the year exploration is expected to be extended to north of the Brahmaputra river. In West Bengal exploration is to be undertaken at Galsi in Burdwan district and Bakultala in the 24-Paraganas district, where the Government in collaboration with a private sector oil company has carried out preliminary work.

The Government of India is also contemplating to undertake systematic exploration in the entire Gangetic valley in Northern India.

India is currently producing 7.2 million tonnes of crude oil and is importing about 14 million tonnes of the same. In other words, the country is now importing annually two-thirds of its total requirement placed at about 24 million tonnes. The requirement is expected to go up to the neighbourhood of 30 million tonnes. The expectation is that India can produce 1 million tonnes more of crude now and another 2 million tonnes next year, thereby raising the total quantity of indigenous production to 10 million tonnes by 1976. The 1 million tonnes estimated to be available in the current year are to come from off-shore exploration in Bombay High by about the last quarter of this year. Over 10 million tonnes are expected to be made available from Assam in about five years and 4 to 5 million tonnes are expected to come from other places.

PRODUCTION OF PHOTO FILMS TO BE STEPPED UP

India is poised to achieve a major breakthrough in the production of films and allied items during 1974-75. M/s. Hindustan Photo Films Limited, Ooty, Tamil Nadu is to lead the country towards self-sufficiency in this respect. The company is expected to meet the entire domestic requirements of black and white films, X-ray films, bromide paper and converted colour films.

The company's production turnover during 1973-74 has almost doubled over the preceding year and the same trend is expected to be continued during the current year also. The firm's installed capacity of 10 million sq. metres is expected to be reached by the end of 1976 without any major financial expenditure on additional equipment.

The production of the firm which was of the order of 3.5 million square metres during 1973-74 has improved to the level of 5 million sq. metres during the current year, almost a 40 per cent increase. The capacity utilisation during the current year (1974-75) has been estimated at 80 per cent against 56 per cent in the preceding year. The sales of the firm at Rs. 140 million during the year have also almost doubled from the last year's level.

The company was able to develop a variety of products in the line during a short period. It was also successful in raising a sizeable raw material base consisting of silver, gelatine and methylene chloride indigenously. India has thus an edge over many other developed countries in the development of raw materials. This base was developed in a short time of six years and the firm is now poised to achieve a major breakthrough in the production of quality films and allied products comparable to international specifications.

DEVELOPMENT OF PADDY CULTIVATION

Green revolution in rice in Punjab and Tamil Nadu is in full swing. The average yield of rice per

hectare has gone above 2000 kg. in both these States as against the all India average of about 1000 kg. per hectare. In other States also, the revolution is underway. It can also be noticed that when crop is grown under irrigated conditions in the non-monsoon parts of India, including Orissa, the average yield of rice is from 3 to 5 tonnes per hectare in this season. In States which mainly depend upon the monsoon like eastern Uttar Pradesh, Bihar, Assam, Bengal, Orissa and Madhya Pradesh, the yield per hectare is below the all India average except in West Bengal where it is about 1200 kg. per hectare.

The reasons for the differential advance in green revolution of rice are not too far to seek : the intensive transfer of technology which has taken place in some States more than in other States, the limitations imposed by the monsoon and its vagaries, the new high yielding dwarf varieties giving optimum yields under controlled irrigation and the relative susceptibility of the new varieties to pests and diseases. Therefore, green revolution has already come in some States in India and is coming slowly in other States. The progress can be seen from figures of production of the period before 1965 and the period after 1966 since introduction of these varieties.

High yielding varieties have definitely made impact on overall production of the country. The total production in 1965-66, just before the introduction of high yielding varieties and the national average yield were 32 million tonnes and 863 kg. per hectare respectively. There has not been much increase in area since then. The total production in 1971-72 was 42 million tonnes and the national average increased to 1151 kg. per hectare.

Out of 37.4 million hectares in which paddy is grown in the country only 34 per cent is grown under irrigation. Some of these irrigation projects are monsoon dependent because the reservoirs of the Peninsular India depend upon the monsoon rains. If the entire land can be brought under irrigation, rice production can be independent of the vagaries of the monsoon. This is a long term objective which cannot be achieved within a short time.

The vagaries of the monsoon have been studied and classified over a period of years. Several methods have been suggested to meet the vagaries of monsoons. One of these is develop new varieties of rice which can stand up a normal gap in rain fall of 10 to 12 days in a rainy season. In fact, Indian scientists have already succeeded in breeding a few short duration varieties which can be successfully grown under these conditions and are also suitable for upland regions. To offset the delayed monsoons, it has been suggested that direct seeding can be started after the receipt of sufficient monsoon showers to support germination. In case of early onset of the monsoons very early or early varieties can be sown in any region.

It would seem that with proper planning of varieties for each location and season, it may be possible to overcome the vagaries of monsoons to a very large extent. There is also the technique of mixed cropping where rice is cultivated with other crops. Mixed crop helps in utilisation of normal rainfall by rice and the other crop benefits if the rainfall is low.

High yielding varieties of paddy are more prone to diseases and pests as compared to the traditional ones. Besides inherent susceptibility of the new varieties, improved technology of production including inputs like fertilizers render the crop more susceptible to incidence of pests and diseases. In addition to the chemical control measures already in operation, the Indian scientists have developed what is known as Integrated Pest Control measures in which several factors like removal of the source of infestation, development of varieties tolerant to pests, encouragement of predators and parasites etc. are included. There seems to be a good hope of effective control of insects and diseases through the multipronged attack.

Cultivation of high yielding varieties calls for inputs-technological, managerial and monetary. With proper management, yields can be pushed up much further from the present levels. Technology transfer and management are two aspects which do not require high inputs. With proper guidance, supply of suitable implements and arrangements of proper inputs in time, the programme for production of high yielding varieties of rice can be pushed up still further.

COAL, THE PRIMARY SOURCE OF ENERGY

The world today is faced with an unprecedented energy crisis which has led to galloping inflation and dislocation of the world economy. In such a situation every country is in search of a stable and long-term supply of fuel and energy resources. India is fortunate in having sizeable deposits of coal reserves. This has given a new dimension to her exploitation of coal and other energy resources. Coal being the primary source of energy in India, the coal industry has got to be modernised and rationalised for meeting the difficult energy situation.

India's coal industry was nationalised in stages- 214 coking coal mines were taken over by the Government in October 1971 and were nationalised on May 1, 1972; 464 non-coking coal mines were taken over in January 1973 and were nationalised on May 1, 1973 with the principal objective of ensuring a rational and coordinated programme of development of coal production and of promoting optimal utilisation of the coal resources consistent with the growing needs of energy of the national economy.

The production of non-coking coal has gone up from 60.6 million tonnes in 1972-73 to 62.1 million tonnes in 1973-74. The increase in production is on the rise as a result of various steps taken by the Coal Mines Authority to reorganise the industry into viable units - e.g., 215 mines in the Eastern division of India have been reorganised into 86 units; and the 214 coking and 187 non-coking coal mines of B.C.C.L (Bharat Coking Coal Ltd.) into 87 units. Recently, a production fortnight was organised in the respective divisions of the Coal Mines Authority which showed a promising trend in this direction - in the Western Division, in Wardha area alone, the daily production registered a 45.4 per cent increase in production (from 3942 tonnes per day prior to the fortnight to 5730 tonnes per day during the fortnight). The normal monthly production of the area during December rose from 1,00,000-1,05,000 tonnes to 1,40,000 tonnes. The over all daily production on December 30, 1974 was 66,000 tonnes and on January 1, 1975 it was 76,000 tonnes.

The production of coking coal did not catch up this tempo in the initial stages, and in fact, it showed a decline from 17.8 million tonnes in 1970-71 to 15.8 million tonnes in 1973-74 due to various factors. But this too is now picking up fast. Prior to nationalisation, the daily production in 81 per cent of the total collieries in Jharia was less than 1000 tonnes, whereas much higher production from most of these units is feasible by proper investment and scientific development.

There have been some observations or apprehensions about the coal mining industry's capacity to fulfil its Fifth Plan targets. But if the recent trends are any guide, they can even be exceeded. A healthy worker-management relationship has come to be established in the industry. Inadequate rail transport, frequent power breakdowns, non-availability and delay in the delivery of certain essential items of machinery, inadequacy of working capital and explosives and foreign exchange for import of certain equipment have been other impediments to the programme of accelerating production. All these are being tackled and gradually removed. An important development in this direction has been the recent integration of the Departments of Coal and Power under the Ministry of Energy - the electricity industry being the largest single consumer of the coal industry, and the coal-mining industry having largest dependence on and stake in the power sector.

There has been a substantial loss of production in the Bengal-Bihar coal fields due to power shortage and breakdowns in the early part of 1974 - estimated to be between 8000 and 10,000 tonnes per day in the Eastern Divisions. The Eastern Division of Coal Mines Authority required 72 MW of power for a daily coal production rate of 80,000 tonnes fixed for achieving the target of 95 million tonnes. The Damodar Valley Corporation had to supply 51 MW out of this 72 MW. The Bharat Coking Coal Ltd. required 76.5 MW to 81 MW of power. As a result of effective remedial

measures taken by the Department of Power, the position of power supply to these coal mines has considerably improved in the last three months.

The daily requirement of wagons corresponding to the coal production target of 95 million tonnes was estimated at 10,1000 numbers. The average supply has been improving since April 1974 from 7,140 to about 8500 in December 1974, and it is expected that it would reach the 9,000 level soon to enable achieving the estimated production of 88 million tonnes and its distribution. The Coal Mines Authority and Bharat Coking Coal Ltd., on their part, have taken various measures such as reorganisation of sidings, centralisation of loading points, maximising loading in rakes and so on.

Advance action has already been initiated for procuring plant and machinery costing about Rs. 2190 million in the first two years of the Fifth Plan and substantial orders have been placed by the Coal Mines Authority on the indigenous as well as foreign suppliers. The programme of maximising the capacity of indigenous heavy industry unit for manufacturing the plant and machinery required by the coal industry has been intensified, and the question of advancing sufficient working capital by the nationalised banks is also under active consideration. The coal industry's demand of explosives is likely to go up from the present level of 15,000 tonnes to 35,000 tonnes per annum by the end of the Fifth Plan in view of the increase in coal production target. The indigenous production of explosives from the existing units is expected to be raised from the present 41,500 tonnes to 49,000 tonnes per annum during the Fifth Plan. To augment the production capacity, two plants are being set up in the public sector - Slurry Explosives plant by the Fertilisers Corporation of India Ltd. (FCI), possibly in collaboration with suitable foreign agencies, and Bhandara Nitroglycerine explosives plant. With these and other steps being taken, the production targets of coal industry are likely to be achieved within the time schedules. □

(Based on an article by Prof. Siddheshwar Prasad Union Deputy Energy Minister)

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ELECTRONIC PRODUCTS POPULAR ABROAD

In tune with the increasing popularity of India's electronic products, even one of the small scale units in the line, M/s. Weston Electronics Pvt. Ltd., (244 Okhla Industrial Estate, New Delhi), who entered the export field only four years back with the execution of an order from Sudan, is today exporting to over 27 countries the world over, including the United Kingdom and Spain. The firm's total foreign exchange earning is expected to attain a level of Rs. 15 million by the end of the current financial year. In appreciation of its export success, the firm has won export recognition awards for three consecutive years from 1970-71 to 1972-73. It has been recently recognised by the Government of India as an Export House, the first and the only one in the small-scale electronic industry to achieve this distinction.

The Delhi firm owes its success to strict quality control measures ensuring that its products conform to the best in the world. It has also an efficient after-

sales service network spread all over India and some overseas countries including U. K., and certain African countries.

With a modest start limited to production of only pocket transistors, the firm has today emerged as one of India's leading manufacturers of electronic products including radios, TV sets, tape recorders, electronic desk calculators and record players. Currently, the firm is also planning to add pocket size memory calculators and electronic watches to its production range.

India's export trade of electronic products amounted to Rs. 75 million in 1973-74, registering an increase of 25 per cent in comparison to the preceding year.

The wide range of products turned out by the electronic industry in India covers radio receivers, television sets, teleprinters, computers, desk calculators, record players, record changers, transistors and diodes, receiving valves, amplifiers, microphones, loud speakers and hearing aids. The production of the industry was of the order of Rs. 2070 million in 1972-73. Of

this, the production value of entertainment electronics and mass communication items totalled Rs. 650 million. The output of the industry at the end of the Fifth Five Year Plan is estimated at about Rs. 65.00 million.

PLYWOOD IN EXPORT TRADE

Exports of plywood from India increased nearly five-fold to Rs. 38.35 million in 1973-74 from about Rs. 8.40 million in the preceding year.

Of the total export realisation during 1973-74, decorative plywood, supplied mainly to Iraq, Dubai, Kuwait, Qatar and U.K. earned Rs. 13.43 million. The contribution of plastic laminated plywood was limited to Rs. 1.40 million. Bahrein Islands, Dubai, Iraq and Saudi Arabia were among the buying countries. The export earning of other varieties of plywood amounted to nearly as much as Rs. 23.50 million with Iraq, Kuwait, Bangladesh, Qatar and U.K., as the major buyers.

Contributing to the export effort in the line, M/s. Wood Craft Products Limited (9/1 R.N. Mukerjee Road, Calcutta) were able to earn Rs. 12 million during the first nine months (April-December 1974) of the current financial year, excelling their performance at Rs. 10 million during the entire preceding year. This is significant considering that in the earlier years, (1970-71 to 1972-73), the annual overseas sales of the firm were limited more or less to Rs. 2 million. Alongwith success in the export field, total sales of the firm have also witnessed appreciable rise from barely Rs. 2.3 million in 1960-61 to attain a level of Rs. 85 million in 1974-75.

With a modest start in 1943 to meet emergent requirement of tea chests during World War II, the firm today is running three modern factories turning out 28,000 cubic metres of plywood. As claimed by the firm, its production represents 18 per cent in volume and 22 per cent in value of India's production. Their range of production includes commercial plywood, concrete shuttering plywood, decorative (teak, rose, champ, chickrassi) plywood, flush doors and black boards, under the brand name Rocketply.

Another firm, M/s. Indian Plywood Manufacturing Co. Ltd. (9 Wallace Street, Bombay) have also fared well in this field. The export earning of the firm for the last two years amounted to Rs. 10 million in foreign exchange. The firm is stated to have been recognised as an export house in appreciation of its export performance.

The plywood industry in India is located mainly in Assam, West Bengal, Kerala and Mysore. There are 33 factories with an installed capacity of 43 million square metres. Production during 1971 and 1972 was of the order of 27.5 million sq. metres and 32 million sq. metres respectively. Additionally, production of about 6.8 million sq. metres is concentrated in the small scale sector. The location of these units is also in the same areas as those of large scale sectors.

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EXPORT SUCCESS IN WOOL AND WOOLLENS

India's wool and woollen industry has achieved rapid strides in the export field in recent years. The export value attained a peak level of Rs. 523 million in 1973-74 as compared to Rs. 480 million in the preceding year. During the first half of the current year the exports were valued Rs. 250 million. The overseas supplies have risen to this level from Rs. 358 million in 1971-72, Rs. 325.70 million in 1970-71 and Rs. 264.75 million in 1969-70.

The export range of the industry covers woollen and mixed fabrics, woollen garments, blankets and yarn besides carpets, druggets, namdahs, hosiery goods, raw wool, shawls, shoddy wool, wool tops, worsted yarn and knitting wool. U.S.S.R., Federal Republic of Germany, U.S.A., U.K., Canada, Netherlands, Poland, Czechoslovakia, Libya, Hungary, Kuwait, Sweden, Belgium and Malaysia are the significant markets for these products.

In the export context of woollen fabrics, garments, blankets and yarn, M/s. Raymond Woollen Mill Ltd. (Pokharan Road, Thana, near Bombay), earned Rs. 20 million in foreign exchange during 1973-74, registering an increase of more than Rs. 6 million over their performance in the preceding year. Of this, woollen fabrics alone accounted for Rs. 12.57 million. Canada, Denmark, France, Italy, Sudan, U. K., U.S.A., Australia, Lebanon, Iran, Hong Kong, Dubai, Bahrein Islands and Japan were the buying countries for these fabrics. During the year, garments were supplied by the firm to South Yemen People's Republic, U.K., Italy, Denmark, Japan, Norway, Sweden, West Germany and Kenya to fetch Rs. 7.36 million. It also made limited exports of blankets to Qatar. The firm has placed export target for the current year at Rs. 28.50 million.

Set up in 1925, the firm is today well established, turning out a comprehensive range of woollen products such as all wool fabrics, polyester wool mixed fabrics, readymade garments, woollen blankets and knitting yarn. The firm claims to contribute 60 percent to the total export of India's woollen industry.

Another Bombay firm, M/s. Bombay Woollen Mills (P) Ltd. (20, Ambalal Doshi Marg, Fort, Bombay) was also able to net about Rs. 2.55 million during the year. Their export range included wool and wool blended fabrics, shawls, yarns and knitting wool. The buying countries for the products were Zambia, U.K., Dubai, Bahrein Islands and Kuwait.

The performance of M/s. Shree Digvijaya Woollen Mills Ltd. was equally encouraging. The firm bagged Rs. 4.20 million in foreign exchange through export of wool and wool blended fabrics to U.K., U.S.S.R. and Czechoslovakia. Their export target for the current year (1974-75) is fixed at Rs. 6 million.

Woollen textile Industry has carved out an important place for itself in India's textile complex. The number of mills engaged in the industry in the organised sector is 139. Of these 100 are engaged in wool spinning and 39 are composite mills. The present installed capacity is 320,984 spindles and about 3867 looms. On an average, the annual production is in the range of 23.5 million kg. of woollen worsted yarn, 13.4 million metres of woollen worsted cloth and 4.3 million kgs. of non-wearable woollen fabrics.

EXPORT MARKET FOR BOTTLE CAPS

Of India's comprehensive export range of non-traditional products, bottle caps of base metals and plastic have emerged prominent. During 1973-74, India's exports of aluminium cap seals secured increased foreign exchange at nearly Rs. 5 million as against Rs. 2.53 million in 1972-73 and Rs. 1.44 million during 1971-72.

During the year, over 20 countries imported aluminium cap seals from India. Sri Lanka at Rs. 1.42 million was the biggest buyer, followed by Bangladesh at Rs. 0.93 million. Besides these, Kenya, U. K., Uganda, Mauritius, Malaysia and Iraq were prominent among other markets. During 1972-73, Kenya, Sri Lanka, Arab Republic of Egypt, Zambia and Bangladesh were the major importers.

M/s. Shree Products Limited, the subsidiary of M/s. Swastik Rubber Products Limited (Poona, Maharashtra) has secured its maiden export order for injection bottle caps valued at Rs. 600,000 from Bangladesh. It is reported that the firm has recently executed the order.

The range of manufacture of the firm includes pharmaceutical packaging products like I. B. caps, nipples, B. T. Bung and Medical tubings. Their products have been well received by a number of leading pharmaceutical companies at home. The firm's parent concern, M/s. Swastik Rubber Products, is currently strengthening export markets abroad, particularly in USA, UK, and other European countries as also exploring new markets for products other than gloves and shoes which have already earned reputation as quality products in these markets. It is stated that the firm has lately entered into exports of oil seals, among others, and has recently airfreighted the first consignment of oilseals to a leading manufacturer of auto-spares in Netherlands. Interestingly, the consignment was executed by the firm during the period of only three weeks after receipt of the order even in absence of necessary tooling arrangements for completion of this order. The firm is stated to have received one more order for oilseals from a public transport corporation of Sri Lanka. The first delivery was effected during November 1974. The firm has received an award from the Plastics and Linoleums Export Promotion Council for the export of P.V.C. footwear during 1972-73.

CARBON BLACK IN EXPORT TRADE

India's exports of carbon black including carbon black for rubber industries and other varieties totalled Rs. 12.80 million in 1973-74. Thailand, Kenya, Tanzania, Bangladesh and Singapore were the major buyers.

Contributing substantially to the export effort in the line, M/s. United Carbon India (Thana,

Maharashtra) stepped up their exports nearly three-fold to about Rs. 9.50 million in 1973-74 from Rs. 3.25 million in the preceding year. Quantitatively, their exports during the respective years were of the order of 5685 tonnes and 2172 tonnes. The performance of the firm is commendable in the context that their exports totalled Rs. 2.06 million (1639 tonnes) in 1971-72 and barely Rs. 0.13 million (105 tonnes) in the preceding year. The export supplies were directed mainly to Tanzania, Ethiopia, Iraq, Thailand, Bangladesh and Burma.

In its endeavour for diversification, the Thana firm has undertaken a Research and Development programme. It hopes to start shortly marketing of butylated hydroxy toluene food grade and dibutyl paracresol technical grade. The firm has also developed manufacture of tertiary butyl phenol and an anti-oxident 2, 4 ditertiary butyl phenol and is planning to produce the same. This is significant as it may lead to availability of these products indigenously resulting in corresponding saving in foreign exchange.

EXPORT PERFORMANCE AND POTENTIAL

ESCAP SESSION TO MEET IN INDIA A BACKGROUNDER

The Annual Session of Economic and Social Commission for Asia and the Pacific (ESCAP) is scheduled to be held in New Delhi during February 26-March 7, 1975 to consider an integrated programme of work and projects in areas like food, fertilizers, energy and development of raw materials. The programme for three years (1975-77) has been drawn up by the ESCAP Secretariat on the basis of the Colombo Declaration of 1974 which emphasised the importance of self-reliance in socio-economic development of the region. Among the priorities for the programme of work of ESCAP during the next three years, development and transfer of appropriate technology and external financial resources has been

included in a prominent way. The Session is to be attended by 39 countries of the region including China as also the non-regional members including USA, USSR, UK, and France

The year 1974 witnessed major changes, sharpened priorities and reorganisation for the ESCAP. The historic 30th session of ESCAP was held in Colombo (Sri Lanka) during the year and constituted a significant landmark in the efforts of the United Nations at the regional level. The Colombo Declaration reaffirmed "the aspirations of the peoples of Asia and the Pacific to continue to develop their national economies on the principle of independence and self-reliance and to promote cooperation among countries on the basis of equality and mutual benefit". The Declaration also specified the most urgent priorities for ESCAP action in the fields of food, energy, raw materials and external financial resources. It called upon the international community to place the highest priority for concerted action on ensuring adequate food supplies including the build-up of adequate reserves. As a direct follow-up to the Colombo call for special attention to food and fertilisers, the Executive Secretary of ESCAP presented a plan for the establishment of a World Fertiliser Fund to the World Food Conference in Rome in November 1974 setting out proposals for short and medium term finance for raw materials and long term credits on concessionary terms for increasing production as also to foster research and technological applications to improve food output.

The year 1974 proved to be a year of concrete achievements for ESCAP projects and programmes. A 28-nation inter governmental meeting on the impact of the energy crisis on the economy of the region was organised in February last producing a report on the energy situation which later became the basis of a regional approach to the special session of the U.N. General Assembly on Raw Materials and Development. Special preparatory meetings were also organised for U.N. conference on world population and world food situation. Also the functioning of three major regional training institutes, namely, the Asian Institute for Economic Development and Planning in Bangkok, Asian Statistical Institute in Tokyo and the Asian Centre for Development Administration in Kuala Lumpur was reviewed at length. Preparatory work

began in consultation with UNDP towards the establishment of an Asian Centre for Agricultural Machinery.

Another major development of the year 1974 was the inauguration of the Asian Clearing Union linking six nations of South Asia in arrangements to promote the use of national currencies in current trade transactions between them thus saving foreign exchange and developing trade. In December 1974, an Agreement establishing an Asian Rice Trade Fund also came into force linking six developing nations under a system of deferred payments for rice between importing and exporting developing nations. Further progress in ESCAP's established commodity communities—the Asian Coconut Community and the Pepper Community—was reported during 1974 while a closer relationship with the Association of Natural Rubber Producing Countries was developed too.

In the field of technical cooperation, the year 1974 witnessed notable progress in the ESCAP region. The total value of technical cooperation programme reached over US \$ 4 million - a big increase on 1973 and more than double the figure for 1972. The bulk of the funds in this context went to training, seminars, workshops and study tours while the largest amount (US \$ 1.4 million) went in support of Key programmes such as offshore prospecting, trans-Asian railway, Asian highway and trade expansion programmes including the Asian Clearing Union and Assistance to least developed and land-locked countries.

In the context of promoting regional trade expansion and monetary co-operation also, the year 1974 saw important developments in ESCAP's programmes. The Asian Clearing Union - a major new project linking Bangladesh, India, Iran, Nepal, Pakistan and Sri Lanka in clearing arrangements to save foreign exchange and promote the use of their domestic currencies in current trade transactions between them was formally inaugurated in early December, 1974. It was stated by the ESCAP's Committee that the establishment of the Union augured for a more ambitious regional monetary cooperation effort particularly the creation of an Asian Reserve Bank (designed to overcome temporary balance of payments problems of developing countries).

Another vital element in the programme for trade and monetary cooperation has been in the form of a drive to establish preferential trading arrangements between developing countries of the region through trade negotiations group of 14 developing countries, namely, Bangladesh, India, Indonesia, Iran, Khmer Republic, Laos, Malaysia, Pakistan, Papua, New Guinea, Philippines, Republic of Korea, Republic of Viet Nam, Sri Lanka and Thailand. At the Colombo Session, 68 bilateral negotiations were held during which lists were exchanged of products, for which concessions were requested and offers made. Possibilities of bulk purchases of specific commodities under long term agreements, joint investment, liberalisation of exchange control, State trading and other trade facilitation measures were also considered. The first stage of negotiations is hoped to be completed before the middle of June 1975 and the first protocol for preferential trading arrangements is expected to be signed as soon as possible afterwards.

India's export trade with the ECAFE region totalled Rs. 7308 million during 1973-74 as compared to Rs. 5680.50 million in 1972-73 and Rs. 4245.30 million in 1971-72. Indian imports there from stood at Rs. 6687.0 million in 1973-74 against Rs. 4076.50 million in 1972-73 and Rs. 3613.70 million in 1971-72. Japan is the foremost trading partner of India. During 1973-74, Indian exports to Japan were of the order of Rs. 3551.3 million while imports were Rs. 2555.7 million. In the same year Indian exports to and imports from Bangladesh were Rs. 587.3 million and Rs. 168.9 million, Australia Rs. 503.9 million and Rs. 436.6 million, Singapore Rs. 429.3 million and Rs. 97.1 million, Iran Rs. 427.3 million and Rs. 2675.8 million, Hong Kong Rs. 361.3 million and Rs. 16.7 million; Nepal Rs. 289 million and Rs. 130 million; Indonesia Rs. 267.5 million and Rs. 4.1 million; Malaysia Rs. 240.8 million and Rs. 321.0 million; Afghanistan Rs. 150 million and Rs. 151 million; New Zealand Rs. 134 million and Rs. 82 million; Thailand Rs. 92.2 million and Rs. 18 million, Sri Lanka Rs. 98 million and Rs. 9 million; Republic of Korea Rs. 60.3 million and Rs. 2.5 million, Philippines Rs. 34.8 million and Rs. 4.6 million, Democratic People's Republic of Korea Rs. 31.7 million and Rs. 7.9 million; Burma Rs. 15.4 million and Rs. 0.7 million, Republic of Vietnam Rs. 8.2 million and negligible imports.

The major items exported from India to Japan are iron ore, shrimps, feeding stuff for animals and raw cotton whereas India's imports there from are iron and steel, machinery and fertilisers. Bangladesh buys Indian cotton manufactures, tobacco, machinery and coal and supplies raw jute and paper. Australia purchases from India jute manufactures, cotton manufactures, tea, carpets and footwear while sells to India wool, Zinc and lead. India exports to Singapore iron and steel, precious stones and textiles and imports palm oil. Iran purchases Indian tea, jute manufactures, cotton textiles, transport equipment and iron and steel and sells mainly crude petroleum and sulphur. Trade between India and Hong Kong is mostly in precious stones. Sugar and transport equipment are the major items exported from India to Indonesia while India's imports are essential oils and spices. Malaysia buys from India cotton manufactures and machinery and sells palm oil and tin. Afghanistan's imports from India are tea and textiles and exports are dry fruits. Indian exports to Thailand are mainly cotton textiles, metal manufactures, iron and steel and transport equipment. New Zealand imports jute and cotton manufactures from India and exports milk products.

The 26 regional members of ESCAP are Afghanistan, Australia, Bhutan, Burma, Sri Lanka, China (People's Republic), India, Iran, Indonesia, Japan, Khmer Republic, Republic of Korea, Laos, Malaysia, Mongolia, Nauru, Nepal, New Zealand, Pakistan, Philippines, Republic of Vietnam, Singapore, Thailand, Tonga, Western Samoa and Bangladesh. In addition there are six Associate Members namely Brunei, Hong Kong, Fiji, British Solomon Island, Papua and New Guinea and Cook Island. There are also five non-regional members, viz. France, Netherlands, USSR, UK, and USA. The total membership of the Commission as at present is thirtyseven.

UNIT VALUE AND VOLUME OF INDIAN EXPORTS IMPROVE

During the three years ending 1973-74, the general indices of unit value and volume of India's export trade reveal notable improvement. With 1958 as the

base year, the index of unit value of the exports stood at 180 in 1971-72, 203 in 1972-73 and 247 in 1973-74. The volume index in these three years improved from 151 to 167 and 174 respectively, (base year 1958), according to the information received from the office of the Economic Adviser of the Government of India.

A section-wise analysis of India's export trade reveals interesting developments. The section relating to food exports comprising products like fish, fruits and vegetables, coffee, tea, spices and oil industries has registered unit value improvement to 171 in 1971-72, to 192 in 1972-73 and 262 in 1973-74. The volume index of the food section has registered improvement from 126 in 1971-72 to 162 in the subsequent year but fell down to 133 in 1973-74 while the index of unit value for almost all the commodities in the section improved year after year in these three years. The volume index fell in respect of fruits and vegetables and tea which explains the fall in the volume index of the food group as a whole in 1973-74. The unit value index for beverage and tobacco had fallen from 240 in 1971-72 to 204 in 1972-73 but rose substantially to 277 in 1973-74. The volume index of this group which was 115 in 1971-72 rose to 192 in 1972-73 and fell down to 157 in 1973-74.

The group consisting of inedible crude materials (excepting fuel) comprising hides and skins, wool and other animal hair, raw cotton and waste, crude fertilizers and minerals and metalliferous ore, metal scrap registered a unit value index of 133 in 1971-72 which improved to 140 in 1972-73 and 167 in 1973-74. This section's volume index was 178, 140 and 206 in these three years. The unit value of the section consisting of materials, fuels and lubricants increased from 223 in 1971-72 to 311 in 1972-73 and 390 in 1973-74. During these three years the volume index of this section varied from 37 to 81 and 41.

India's export trade in manufactured goods comprising leather and manufactures, textile yarn and thread, cotton fabrics and synthetic fabrics, jute bags and sacks as well as floor coverings witnessed unit value improvement from 230 in 1971-72 to 255 in 1972-73 and 283 in 1973-74. The volume index of this category also witnessed improvement from 131 to 146 and 159. The commodities for which both the unit value and

volume indices improved in these three years were leather manufactures, cotton fabrics and synthetic fabrics. The volume index of synthetic fabrics rose substantially from 134 to 141 and 400.

The section relating to the export of machinery and transport equipment registered uptrend in unit value index from 92 to 96 and 148 and the volume index registered varying trends at 4537 in 1971-72, 5176 in 1972-73 and 4567 in 1973-74.

EXPORTS OF COIR PRODUCTS IMPROVE

From Rs. 112 million during the first three quarters of 1973-74 (April-December 1973), India's export trade in coir and coir goods improved to Rs. 128.55 million in the corresponding period of 1974-75 (April-December 1974), according to Coir Board, Ernakulam. In terms of quantity, 337,370 quintals and 315,500 quintals were supplied abroad in the respective periods which indicates more unit value realisation during April-December 1974.

The exports during 1973-74 were of the order of Rs. 155.50 million as compared to Rs. 149.50 million in 1972-73. During 1973-74 also, the exports secured more unit value as compared to that in 1972-73. This is evident from the quantum of exports during 1973-74 at 46,690 tonnes as against 49,480 tonnes in 1972-73.

Coir yarn and coir mats, earned increased foreign exchange during April-December 1974 at Rs. 58.70 million and Rs. 49.80 million as against Rs. 55.89 million and Rs. 45.15 million respectively during April-December 1973. Coir matting proved to be one of the significant coir products of overseas popularity, having earned as much as Rs. 13 million (4852 quintals). The exports rose to this level from Rs. 7.55 million (10,157 quintals) during April-December 1973. Coir rugs and carpets also improved their export earnings sharply to Rs. 5.50 million from only Rs. 1.88 million. Besides, coir ropes, rubberised coir goods, curled coir, coir fibre and coir of other sorts also figured in the export trade during the period.

EXPORT REVIEW OF COTTON PIECE-GOODS, YARN AND APPAREL

While mill-made cotton piece-goods of India earned an export value of Rs. 1601.50 million (646 million sq. metres) in 1973-74 as compared to Rs. 843.70 million (449.4 million sq. metres) in 1972-73, handloom cotton piece-goods secured Rs. 320.6 million (67.6 million metres) against Rs. 165.4 million (47.1 million metres) in these two years respectively.

Major importers of mill-made piecegoods were UK, (at Rs. 387.3 million for a quantity of 169.5 million sq. metres), USA (at Rs. 262 million for 89 million sq. metres), USSR (at 158.4 million for 60 million sq. metres) and Japan (at Rs. 105.8 million for 35.2 sq. metres) in 1973-74. During 1972-73, the import trade of these four markets was Rs. 171.9 million for 106 million sq. metres, Rs. 124.1 million for 67 million sq. metres, Rs. 285.4 million for 130.5 million sq. metres and Rs. 4.4 million for 2 million sq. metres). Other important markets in 1973-74 were Australia (Rs. 97.5 million for 34.7 million sq. metres), Nepal (Rs. 53.5 million for 29.3 million sq. metres), Iran (Rs. 52.2 million for 19.9 million sq. metres), Hong Kong (Rs. 43.6 million for 15.6 million sq. metres) and German Federal Republic (Rs. 41.6 million for 17.5 million sq. metres).

Japan was the foremost buyer of handloom piece-goods from India in 1973-74 at Rs. 57.2 million (over 10 million sq. metres), followed by Dahomey Republic at Rs. 39.3 million (6.9 million sq. metres), USA at Rs. 33.4 million (5.6 million sq. metres), Bangladesh at Rs. 32.6 million (9.9 million sq. metres) and Singapore at Rs. 31.7 million (5.2 million sq. metres). Malaysia, UK, Nepal, Nigeria and France were other significant buyers.

A quantity of over 12 million kg. of cotton yarn and thread was exported by India during 1973-74 to fetch Rs. 159.7 million as compared to 22.2 million kg. at Rs. 246.8 million in 1972-73. U.K. absorbed the supplies at a value of Rs. 36.30 million (3 million kg.) in 1973-74 as compared to Rs. 30.50 million (3.6 million kg.) in the year before. Bangladesh was the

next best buyer in 1973-74 at a value of Rs. 20.70 million (0.06 million tonnes) followed by Hong Kong at Rs. 15.4 million (1.3 million kg.), Czechoslovakia at Rs. 12.3 million (1.3 million kg.), Belgium at Rs. 10.20 million (1.3 million kg.) and Japan at Rs. 15.4 million (1.3 million kg.). In 1972-73, the supplies to Bangladesh amounted to Rs. 45.90 million (2.7 million kg.). Hong Kong. at Rs. 1.7 million (0.2 million kg.), Czechoslovakia at Rs. 64.5 million (6.6 million kg.), Belgium at Rs. 4.2 million (0.6 million kg.) and Japan at 4.3 million (0.3 million kg.) were the other important buyers. There have been other importers for cotton yarn and thread such as, Arab Republic of Egypt, Singapore, New Zealand, Malaysia, Kenya, German Federal Republic, Poland and Saudi Arabia.

India's export trade in cotton apparel was more than doubled during 1973-74 at Rs. 637.40 million as compared to Rs. 298.50 million in 1972-73. USA was the leading buyer in 1973-74 at Rs. 142 million (Rs. 44.40 million in 1972-73), followed by U.K. at Rs. 59.50 million, Australia at Rs. 51.40 million, Sweden at Rs. 50.70 million, France at Rs. 47.80 million, Denmark at Rs. 44.50 million, German Federal Republic at Rs. 41.30 million and U.S.S.R. at Rs. 57.40 million.

SHARP IMPROVEMENT IN PROCESSED FOOD EXPORTS

Indian processed foods are picking up growing demand abroad in recent years. The first eight months of 1974-75 (April-November 1974) have witnessed the exports securing increased foreign exchange at Rs. 261 million as against Rs. 146.25 million in the corresponding period of the preceding year, according to the Processed Foods Export Promotion Council, New Delhi. Thus, the export improvement during April-November 1974 over the same period of 1973 was of the order of 76.21 per cent.

The processed foods Industry in India has been improving its export trade consistently over the recent years. For instance, the exports which were of the order of only Rs. 102 million in 1968-69 improved to

Rs. 116 million in 1969-70, Rs. 155 million in 1970-71, Rs. 162 million in 1971-72, Rs. 192 million in 1972-73. The export target for the full year of 1974-75 has been fixed at Rs. 329.50 million.

In the total foreign exchange earnings during April-November 1974, Guar gum alone contributed as much as Rs. 110.80 million as compared to barely Rs. 32.30 million in the corresponding period of 1973. Thus, the export improvement during the period under review was of the order of 243 per cent. Fresh onions constituted the next best export line at Rs. 23.50 million as against Rs. 19.50 million (13.32 per cent increase). Frozen meat also improved its overseas offtake sizeably to Rs. 16.80 million from its earlier level of only Rs. 3.93 million.

Among other processed food products walnut kernels earned Rs. 14.70 million against Rs. 6.48 million, pickles and chutneys Rs. 12.40 million against Rs. 9.86 million, animal casings Rs. 8.36 million against Rs. 7.15 million, instant tea Rs. 6 million against Rs. 3.40 million, mangoes Rs. 5.40 million against Rs. 4.79 million, starch and its derivatives Rs. 6.40 million against Rs. 2.62 million, papads Rs. 3.43 million against Rs. 2.53 million, fresh meat Rs. 3.37 million against Rs. 0.20 million and dehydrated onions, garlic and vegetables Rs. 3.82 million against Rs. 32,000. Besides, canned vegetables, poultry products, confectionery, biscuits, scented supari, guar meal, alcoholic beverages, baby foods and Indian sweets, other fruits and vegetables and other processed foods registered improvement in their export earnings during April-November 1974.

The processed food items whose exports had fallen during the period under review included mango juice (Rs. 3 million against Rs. 9.65 million); other juices, slices, mango pulp and jams (Rs. 3.47 million against Rs. 3.70 million), non-alcoholic beverage bases, butter and ghee, walnuts in shell, and cocoa products.

During April-November 1974, Guar gum exports were mainly directed to USA, UK, France, Italy, Spain and Federal Republic of Germany while fresh onions found their way to Singapore, Malaysia and Dubai. Canned and frozen meat and poultry products

were mainly absorbed by Kuwait, Dubai Bahrein Islands and Muscat. UK, Singapore, Malaysia, USA and Kuwait were the principal consumers of papads. Animal casings were mainly bought by Federal Republic of Germany, Spain, Japan and Italy while for instant tea, UK and USA were the leading buyers. UK, and USA and Italy were the principal importers of starch and its derivatives while pickles of chutnies were bought by a large number of countries among which USA UK, Federal Republic of Germany, Malaysia, Australia and Canada were significant.

ON INDO-AUSTRALIAN TRADE

A major trading partner of India, Australia absorbed more of Indian goods and supplied more to India in 1973-74 as compared to 1972-73. The exports from India were Rs. 503.90 million against Rs. 259 million and the Indian imports were Rs. 436.60 million against Rs. 335.50 million in these years. The balance of trade which was adverse to India to the extent of Rs. 76.50 million has been thus converted into a trade surplus of Rs. 67.30 million for India in 1973-74.

Jute manufactures, tea, cotton fabrics, fish and fish preparations, machinery, clothing, coffee, tanned and dressed hides and skins as also footwear have been the major areas of Indian supply to Australia, while wool, non-ferrous metals, wheat, machinery and iron and steel products have been principal products exported by Australia to India.

Australia has been a pioneer in the context of extending tariff preferences to developing countries. Australian Government introduced a scheme of tariff preferences for less developed countries in 1966 with a view to assisting them in promoting their exports of semi-manufactured and manufactured products to Australia. The scope of the scheme, which allows the imports into Australia either duty-free or at reduced rates of duties but subject generally to quota limitations, was enlarged in January 1974 to cover larger number of products. Under the scheme, Australia established a Market Assistance Section in its Department of Overseas Trade to assist developing countries

to market their products in Australia. A team from the Market Assistance Section which visited India in May 1974 held discussions with Indian officials and a list of commodities as of India's export interest was finalised. The list includes carpet backing and corn sacks (jute manufactures), leather manufactures and footwear, textiles, sports goods, products, such as, mango pulp and juice, dehydrated onions, canned sardines, coir products, frozen and canned shrimps, chemicals, handicrafts, precious and semi-precious stones and specified engineering items and accessories.

An official team from Australia visited India in August-September 1974 to negotiate restraints on exports of garments of from India to Australia. A Memorandum of Understanding which was signed at the time between the two countries provided for certain restraints on the exports from India. Besides India, Australia entered into such voluntary restraint arrangements with Hong Kong and Peoples' Republic of China also.

Since October 1974, the Government of Australia imposed restrictions on most types of footwear. The restrictions are, it is stated, to limit imports into Australia over a year ahead to a level of 20 per cent higher than the level of imports in 1972-73. Indian exports of footwear which were only Rs. 4.8 million in 1972-73 jumped up to Rs. 14.9 million in 1973-74. While such was the rate of growth potential, the restrictions imposed by Australia would indeed affect Indian supplies adversely.

The break up of major exports from India to Australia during 1972-73 and 1973-74 reveals interesting trends. In these two years, the export value of jute manufactures was Rs. 75.7 million and Rs. 115.4 million, tea Rs. 20.7 million and Rs. 20.6 million, cotton fabrics Rs. 24.5 million and Rs. 99.20 million, fish and fish preparations Rs. 15.4 million and Rs. 20.3 million, cashew kernels Rs. 13 million and Rs. 17.8 million, machinery Rs. 12 million and Rs. 13 million, clothing Rs. 13.6 million and Rs. 51.4 million, coffee Rs. 8.1 million and Rs. 13.5 million, footwear Rs. 4.8 million and Rs. 14.9 million and non-essential vegetable oils Rs. 6 million and Rs. 7.3 million.

INDIA'S TRADE TRENDS WITH REPUBLIC OF KOREA

India's exports to the Republic of Korea have been revealing varying trends over the recent years. In 1969-70 the export value was Rs. 58.4 million, in 1970-71 it was Rs. 20.10 million, Rs. 63 million in 1971-72, Rs. 12.6 million in 1972-73 and Rs. 60.3 million in 1973-74. Imports into India from South Korea were valued at Rs. 6.1 million in 1969-70, Rs. 4.5 million in 1970-71, Rs. 16 million in 1971-72, Rs. 72 million in 1972-73 and Rs. 2.5 million in 1973-74.

During 1973-74, the major items of supply from India were railway rails of iron and steel (Rs. 19.8 million), iron ore (Rs. 11.5 million), pig iron including cast iron (Rs. 8.7 million), ores and concentrates of manganese (Rs. 3.3 million), common salts (Rs. 3 million), mulberry silk-waste (Rs. 2.8 million) and medical and pharmaceutical products (about Rs. 1 million). The substantial rise in India's export value to South Korea in 1973-74 over the preceding year was due to the increased offtake of rails, iron ore, pig iron, manganese ore and concentrates, mulberry silk-waste and common salt.

The sizeable decline in Indian imports from the Korean Republic to the level of Rs. 2.5 million in 1973-74 from Rs. 72 million in 1972-73 was due mainly to the fact that manufactured fertilizers which were imported to the tune of Rs. 39.6 million in 1972-73 did not figure at all in the import trade in 1973-74. Also the import of organic chemicals fell from Rs. 30 million to only Rs. 0.7 million in the respective years. Other imports were on account of transport equipment, iron and steel and metal manufactures.

Indo-Korean Trade is governed by Trade Agreement that the two countries entered into in August 1974. The Agreement is initially valid for two years.

Though in a fluctuating way, India has been able to supply certain engineering item to South Korea over the recent years, particularly, railway wagons and rails and textile machinery. From time to time, Indian

industry has been endeavouring to supply other engineering goods, such as, pump-sets, tele-communication equipment, typewriters and office equipment. A sizeable contract worth US \$7 million is reported to have been recently negotiated between three Indian firms and South Korea for the construction of a viscose staple fibre plant, the machinery and plant equipment to be supplied from India.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

STANDARDIZATION FOR BUILDING MATERIALS

The National Buildings Organisation (NBO), India's co-ordinating agency for building, research and development and principal body for promotion of newly improved building technology in India has recently formulated a draft scheme of "Agreement (Approval) System" which envisages the setting up of an Agreement Board in India with a view to ensuring the performance-in-use concept of technical assessment and approval of building products. Such a system has been found successful in countries like France, the UK, Netherlands, Italy, Australia, the USA and Japan for adoption of new building products and techniques in construction. The new scheme is expected to go into operation in India during the current year.

The construction agencies in India are often approached by the component manufacturers with new building products and techniques that are claimed to lead to economies in construction cost. The purpose of such new products and techniques is required to be assessed in relation to the needs of the building industry. In the absence of any authoritative assessment and approval of new building products and techniques, these have been in the past, accepted by engineers, architects and builders with some reservations and involved calculated risks under conditions of actual use. Such a practice has been standing in the way of rapid growth and spread of innovations in the building industry of India.

The NBO has been already operating the Experimental Housing Scheme, thereby new materials and techniques are promoted for wider application, after assessment of their performance in construction by a committee of experts. At the same time, the organisation has been advocating the performance concept of technical assessment through the introduction of the Scheme which will now come into effect soon. The new scheme envisages the setting up of an Agreement Board in India and the Board is proposed to function through a select group of experts and assessors from all the technological disciplines in the building industry. The technical group will be located in the NBO for the purpose.

The agreement system ('Agreement' is a French word meaning-approval) as internationally understood is one whereby novel and non-traditional building materials, components and building systems are subjected to assessment, based on laboratory and field investigations and testing, by an independent organisation. The approval certificates are granted in respect of those materials and components that are considered satisfactory.

The Agreement is issued in the form of a certificate for new building materials, components as also approval for building products with new use for which systems do not normally exist. The Agreement certificate is issued for a proprietary product and not for a group of products as covered under standards. The certificate attains a national status and takes form of a standard only after it has been widely accepted through the stipulated period of its use and experience.

IMPORT SAVING ON AUXILIARIES FOR TURBINE GENERATOR

A major process in the manufacture of auxiliaries for giant Turbine - Generators, particularly for nuclear power station, has been successfully established for the first time in India at the Bhopal factory of Bharat Heavy Electricals Ltd.

The process is known as "internal bore TIG (i.e. Tungsten Inert Gas) welding process for tube to tube-plate joints of Heat Exchangers". The establishment of this process will eliminate India's dependence on import of high pressure feed water heaters and other similar sophisticated equipment and will save considerable foreign exchange.

The first tube nest which has been welded by this process is a part of the Reheater/Separator which BHEL-Bhopal is manufacturing for the 236,000 Kilowatt Nuclear Turbines for Kalpakkam Power Station of the Madras Atomic Power Project. Nuclear Power Stations at Kalpakkam (Tamil Nadu) and Narora (Uttar Pradesh) will be equipped with 236,000 KW nuclear turbine sets being built by BHEL, Bhopal. This sophisticated technological achievement of BHEL-Bhopal will be profitably applied in the manufacture of huge thermal sets from 1,20,000 KW to 5,00,000 KW capacity. Though the process is primarily meant for High Pressure Feed Water Heaters, it can be used for application where high joint reliability and leak tightness is required.

The tube to tubeplate jointing technique prevalent in most of the manufacturing facilities in the world is of the "seal welded type". The welding process now established at BHEL-Bhopal, superior to the seal welded type, is an internal bore welding process and its very high reliability in service even under most adverse conditions has been proved.

AWARDS FOR IMPORT SUBSTITUTION

An annual saving to the tune of Rs. 22.50 million is estimated to be achieved in foreign exchange with the import substitution efforts of four Indians firms.

One firm from Kerala, M/s. Omega Engineering Industries, Adur. has to its credit the development of gradali cable used in gradali machines. The firm has been awarded a 'Merit Certificate, and Rs. 2,000 for its development endeavour. M/s. India Thermit

Corporation Limited, Kanpur (Uttar Pradesh), have been successful in developing thermit bearing metal. The firm has been awarded a silver shield for its success in the field. A bronze shield each has been won by two firms, namely M/s Jayant Metal Manufacturing Company of Bombay and M/s. Bharat Forge and Press Industries, Baroda (Gujarat) for developing copper commutators, segments, strips and profiles and butt welding pipe fittings respectively. All the four firms have been given 'Republic Day Awards' for their meritorious endeavours in their respective fields.

Apart from the above, M/s. National Research Development Corporation (NRDC) have also announced Republic Day awards to nine scientists for developing superior heat exchangers by bonding two aluminium sheets and thereby eliminating the use of conventional copper or aluminium tubes; for developing an improved process by which consumption of sodium hydro-sulphate has been reduced in the processing of textiles; for development of husk-fired direct heat-air exchanger in paddy processing; for improving rubber hardness tester; for developing a device to study bragg-diffraction in X-Ray camera; for development of terminal sequence indicator for three phase motors and for a simple arrangement of lenseless and filmless camera.

TRADE TRENDS WITH AFRICAN CONTINENT

To the African continent, India's export trade during 1973-74 totalled Rs. 1009.10 million as compared to Rs. 1011.20 million in 1972-73 and Rs. 1320.60 million in 1971-72. Indian imports from Africa stood at Rs. 1672.60 million in 1973-74, Rs. 1650.6 million in 1972-73 and Rs. 1437.30 million in 1971-72. Thus, the balance of trade with Africa was against India to the tune of Rs. 663.50 million, Rs. 639.40 million and Rs. 116.70 million in these respective years.

Sudan was the most important market for Indian exports in 1973-74 at Rs. 185.70 million. In 1972-73 and 1971-72, the export value was worth Rs. 207.10 million and Rs. 518 million respectively. Imports into

India from Sudan was of the order of Rs. 219.30 million, Rs. 458 million and Rs. 253.20 million in 1973-74 and the two years that preceded. Major exports from India to Sudan and their individual export value expressed within brackets (in 1973-74) were jute goods (Rs. 56.2 million), cotton piecegoods (Rs. 44.3 million), tea (Rs. 55.2 million), machinery (Rs. 8.5 million), metal manufactures (Rs. 1.9 million), motor vehicles (Rs. 2.5 million) and iron and steel (Rs. 1.4 million). Raw cotton, natural gums and resins and rock phosphate have been the principal items of import into India from that country.

Arab Republic of Egypt absorbed Indian goods worth Rs. 141.20 million in 1973-74 as compared to Rs. 317.20 million and Rs. 230.70 million in 1972-73 and 1971-72 respectively. India's import bill from ARE totalled Rs. 259 million, Rs. 288.70 million and Rs. 332.20 million in respective years; tea (Rs. 64.10 million), jute goods (Rs. 29.4 million), electric machinery (Rs. 5.2 million), cotton yarn (Rs. 3.8 million), paper (Rs. 1.9 million), metal manufactures (Rs. 1.2 million), road motor vehicles (Rs. 4.2 million), iron and steel (Rs. 1.4 million) and machinery (Rs. 6.5 million) were the major exports to ARE from India in 1973-74. Raw cotton has been the most important import from ARE into India.

Nigeria proved to be the third best African market for India in 1973-74 at a value of Rs. 112.4 million. In the earlier two years, the export trade was Rs. 96.5 million and Rs. 98.9 million. Imports from Nigeria into India were negligible in these years. Cycles (Rs. 31.4 million), cotton manufactures (Rs. 13.4 million), jute manufactures (Rs. 4.4 million), electric machinery (Rs. 8.5 million), machinery (Rs. 8.3 million), metal manufactures (Rs. 6.5 million), food preparations (Rs. 8.9 million), clothing (Rs. 1.1 million), plastics (Rs. 1.1 million), sportsgoods (Rs. 1.2 million) and pharmaceuticals (Rs. 2.4 million) were the principal products exported by India to Nigeria during 1973-74.

Kenya imported worth Rs. 101.20 million from India in 1973-74 as against Rs. 55 million in 1972-73 and Rs. 79 million in 1971-72. Indian imports from Kenya in these three years stood at Rs. 174.20 million, Rs. 63.20 million and Rs. 177 million. Metal manufactures (Rs. 9.8 million), cotton textiles

(Rs. 8.6 million), machinery (Rs. 14 million), cycles (Rs. 6.5 million), electric machinery (Rs. 8.1 million), paper (Rs. 2.6 million), iron and steel (Rs. 6.8 million), motor vehicles (Rs. 4.8 million) and medical products (Rs. 4 million) were the main items exported by India to Kenya in 1973-74. Copper, raw cashew, dyeing and tanning materials, sisal fibre and wattle bark have been the main items imported into India from Kenya.

The United Republic of Tanzania imported Indian goods to the tune of Rs. 68.6 million in 1973-74, Rs. 30.1 million in 1972-73 and Rs. 41.4 million in 1971-72. Indian imports from that country amounted to Rs. 289.70 million, Rs. 279.5 million and Rs. 184.70 million in these years. Jute manufactures (Rs. 15.8 million), machines (Rs. 8.7 million), cycles (Rs. 3.2 million), metal manufactures (Rs. 3 million), motor vehicles (Rs. 5.4 million) and cotton manufactures (Rs. 6 million) were the major products exported by India to Tanzania in 1973-74. Raw cashew has been the most important import item from Tanzania into India, followed by copper, wattle extract, sisal fibre and waste, pearls and precious stones as well as raw cotton.

Libya absorbed worth Rs. 50.6 million in 1973-74 as compared to Rs. 35.5 million in 1972-73 and Rs. 18.4 million in 1971-72. Indian imports from Libya were negligible in these years. Metal manufactures (Rs. 10 million), aluminium (Rs. 9.5 million), iron and steel (Rs. 5.7 million), electric machinery (Rs. 4.5 million), other machinery (Rs. 3.8 million), jute goods (Rs. 3 million), clothing (Rs. 2.3 million), road motor vehicles (Rs. 1 million) and tobacco (Rs. 3 million) were the most important items exported by India to Libya in 1973-74.

Although its exports to India were negligible, *Dahomey Republic* imported worth Rs. 41 million, Rs. 13.4 million and Rs. 7.6 million in 1973-74 and the two preceding years respectively. Clothing has been the major item exported by India to the Republic (Rs. 39.4 million in 1973-74).

Mauritius and Dependencies exported negligible supplies to India in the three years ended 1973-74 but Indian exports thereto rose from Rs. 16.5 million in 1971-72 to Rs. 19.1 million in 1972-73 and Rs. 39

million in 1973-74. Cotton manufactures (Rs. 9.6 million), textile fabrics (Rs. 32.2 million), iron and steel (Rs. 2.8 million), metal manufactures (Rs. 1.7 million), films (Rs. 1.9 million) motor vehicles (Rs. 1.5 million) and spices (Rs. 1 million) were the major exports from India during 1973-74.

To *Zambia*, Indian exports showed decline from Rs. 59.3 million in 1971-72 to Rs. 47.2 million in 1972-73 and Rs. 37.4 million in 1973-74. On the other hand, India's import trade rose from Rs. 209 million to Rs. 284 million and further to Rs. 344.6 million in these years. Details of exports to and imports from Zambia appear elsewhere in this weekly.

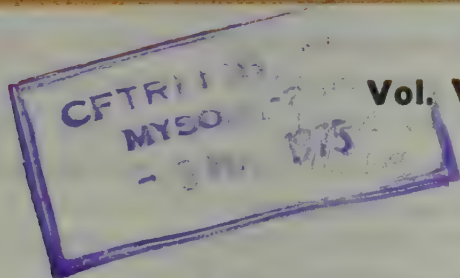
Uganda imported worth Rs. 33.9 million from India in 1973-74 as against Rs. 18.4 million in 1972-73 and Rs. 45.2 million in 1971-72. During these years, Indian Imports from Uganda were of the order of Rs. 1.3 million, Rs. 11.3 million and Rs. 29.5 million. Jute manufactures (Rs. 10 million.), motor vehicles (Rs. 8 million), machinery (Rs. 8.7 million), cotton manufactures (Rs. 15 million) and bicycles (Rs. 0.7 million) were the major products exported from India to Uganda.

Ethiopia imported goods worth Rs. 27 million from India in 1973-74 as compared to Rs 19.6 million in 1972-73 and Rs. 20.5 million in the year before. While Ethiopian imports were negligible in the earlier two years, they were valued at Rs. 2.5 million in 1973-74.

Indian exports to and imports from some of the other African countries during 1973-74, 1972-73 and 1971-72 were as follows: Rs. 18.6 million, Rs. 12.2 and Rs. 13.2 million to *Malawi* and Rs. 0.2 million, Rs. 0.2 million Rs. 0.3 million therefrom; Rs. 16.2 million, Rs. 14.8 million and Rs. 12.7 million to *Sierra Leone* and Rs. 1.8 million, Rs. 0.2 million and Rs. 0.1 million therefrom; Rs. 12.4 million, Rs. 6.8 million and Rs. 11.8 million to *Ghana* and Rs. 19 million, Rs. 6.4 million and Rs. 5.4 million therefrom; Rs. 11.9 million, Rs. 17.2 million and Rs. 16.4 million to *Tunisia* and negligible imports in 1973-74 and 1972-73 and Rs. 9.1 million in 1971-72 therefrom; Rs. 11.1 million, Rs. 13.1 million and Rs. 13.3 million to *Somalia* and negligible imports there from; Rs. 8.6 million, Rs. 5.4 million and Rs. 8.6 million to *Morocco* and Rs. 86 million, Rs. 39 million and Rs. 20 million therefrom. □

economic and commercial news

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EXPORT SUCCESS IN MACHINE TOOLS

India-manufactured machine tools have come to be acknowledged as quality products overseas. The popularity enjoyed by Indian machine tools abroad can be well judged by the consistently rising export graph of the machine tool industry in recent years. Way back in 1965-66, the exports of the industry were of the order of only Rs. 7.5 million. They rose to Rs. 21 million in 1972-73 and further looked up to Rs. 36.80 million in the subsequent year. During 1974-75, the exports are estimated to attain a high level, as during the first seven months of the year (April-October 1974), the exports fetched Rs. 74 million as compared to only Rs. 22 million during the corresponding period of 1973-74.

Indian machine tools find ready acceptance in a number of overseas markets including sophisticated economies like the USA, Canada, Australia, New Zealand and European Countries.

M/s. Hindustan Machine Tools, (HMT), Bangalore (Karnataka), a premier public sector unit in the line have recently secured export orders for machine tools at a value of Rs. 20 million. It is stated that exports to the tune of Rs. 15 million have been already executed by the Bangalore firm during the current financial year.

The range of machine tools to be exported under the orders includes numerical control lathes to be supplied to the United Kingdom. The first consignment of five machines is expected to be exported by the middle of 1975.

During the full year of 1973-74, HMT's exports were of the order of Rs. 25.20 million which accounted for the lion's share of the Indian machine tool industry's total exports during the year valued at Rs. 36.80 million. As compared to HMT's exports during 1972-73, its export performance during the following year registered a sharp increase of 54 percent. During the next three years its exports are estimated to reach a level of Rs. 120 million per annum.

As many as 40 countries are in the customers' list of HMT. In this are included even advanced economies such as, USA, UK, Federal Republic of Germany, Netherlands, Australia and New Zealand.

The Bangalore firm, it is stated, besides physical exports, is endeavouring to supply technical know-how and consultancy services in this line of manufacture. It has to its credit the supply of technical assistance to Sri Lanka for setting up of machine tool units. Similar assistance has also been given by it to Philippines and it is now planning to conclude a similar agreement with South Korea.

The firm's annual production is expected to reach the Rs. 1000 million mark in the next five years.

HMT's expansion and diversification programme includes manufacture of a new set of numerically controlled machine tools especially for export markets. These are highly sophisticated machines having numerical controls which enable them to perform a series of operations automatically. Besides machine tools, which is its main line of manufacture, HMT, has succeeded in achieving a good degree of product diversification in the recent years. Its diversified production range today covers altogether diverse products, such as, tractors, (by Pinjore unit), printing machinery Kalamssary unit), watches (Bangalore and Sri Nagar unit), die-casting and plastic injection moulding machines (Bangalore unit), lamp making machinery and GLS lamps (Hyderabad unit) and horological machinery (Bangalore unit).

HMT has recently floated a new subsidiary known as M/s. HMT (International) Limited to cover the export operations of its own as also to handle agencies for such exporters as would like to be associated with it. The new company has its headquarters at Luxembourg and branches at Chicago and Sydney. It is expected that the new company would be in a position to push up the share of HMT's exports in its total turnover to nearly 25 percent within the next five years.

India's machine tool industry is speedily marching towards the goal of modernisation and diversification. Keeping itself abreast of technological developments in the field abroad, the industry is presently engaged in

diversifying its production range to include sophisticated machine tools. The industry's production during 1973-74 was estimated at Rs. 640 million as compared to Rs. 527 million in 1972-73. The present installed capacity of the industry is of the order of Rs. 900 million.

EXPORT TRADE IN STORAGE BATTERIES

India's export trade in batteries and accumulators totalled Rs. 30.27 million during 1973-74. The export trade comprised of flash light batteries and other dry cell primary batteries, wet cell primary batteries, lead acid type and other categories of accumulators. Sudan proved to be the most important market for dry cell batteries, followed by Nepal and German Federal Republic. USSR and Poland were the principal buyers of lead acid type of accumulators.

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The export of both dry and storage batteries registered further improvement during 1974-75. In the first eight months of this year (April-November 1974), the export value was of the order of Rs. 31.68 million as compared to Rs. 15.47 million in the corresponding period of the preceding year.

M/s. Chloride India, Exide House, (59 E, Chowringhee Road, Calcutta) have established themselves as an important exporter of storage batteries. The firm claims to account for over 60 per cent of India's total exports of storage batteries. In 1973-74, their export realisation was close to Rs. 11 million while the firm anticipates to achieve an export target of Rs. 20.4 million in 1974-75. The company's export performance witnessed a stepforward every year; Rs. 5 million in 1969-70; over Rs. 6 million in 1970-71, over Rs. 9 million in 1971-72, Rs. 10 million in 1972-73 and Rs. 11 million in 1973-74.

The countries to which the firm has exported its batteries have been Abu Dhabi, Australia, Bahrain, Bangladesh, Burma, Czechoslovakia, Dubai, Ethiopia, German Democratic Republic, Ghana, Greece, Iraq, Kenya, Kuwait, Laos, Lebanon, Libya, Hong Kong, Malta, Muscat, New Zealand, Nigeria, Poland, Saudi Arabia, Singapore, Sri Lanka, Sudan, South Yemen, Tanzania, Thailand, Uganda, U.K., U.S.S.R., Yugoslavia and Zambia.

The company's modern technology, backed by research and development has produced a wide range of batteries serving a number of vital applications in India's infra-structural development. For instance, it has developed specialised batteries for power fork lift trucks, in factories and warehouses, for safe working of mining - machinery and miner's cap-lamps, for train lighting, diesel starting and air-conditioning, for running motor-cycles, cars, buses and trucks, for moving power tractors, and mechanised farm equipment, for catering to the needs of telecommunication, defence and health sectors.

Besides enjoying the advantage of foreign collaboration and access to the latest international knowhow, the firm has been engaged in research and development activities aiming at import substitution wherever feasible, as also updating better designs to meet the changed demand pattern. It has also developed a number of sophisticated plants and equipment indigenously.

SCOOTER KNOW-HOW TO INDONESIA

The automobile industry constitutes the leading sector of India's engineering export trade. Covering a wide range of ancillaries and parts besides complete vehicles within production profile, the industry not only caters to home demand but has captured a large number of overseas markets. Besides physical exports, the industry has now acquired requisite competence to offer technical knowhow as well to overseas markets.

M/s. Bajaj Auto Limited (Bombay-Poona Road, Chinchwad, Poona), manufacturers of scooters and three-wheelers have recently concluded a contract with P. T. Tunes Bekasi Motor Company of Jakarta (Indonesia) to supply technical know-how and necessary components and parts in C.K.D. packs for manufacture of scooters and three-wheelers in Indonesia. Under the contract, the Indian firm will receive Rs. 40 million in foreign exchange by way of technical know-how fees. Additionally, it expects to earn much more against supplies of components and parts.

The agreement is valid for 10 years and covers production of a minimum of 230,000 scooters and 20,000 three-wheelers during this period. This is the first ever export order stated to be secured by the firm for supply of technical know-how.

EXPORT PERFORMANCE AND POTENTIAL

ON FORTHCOMING ESCAP CONFERENCE

The Economic and Social Commission for Asia and the Pacific (ESCAP) is scheduled to meet in New Delhi for its 1975 annual session in February-March 1975. The session will be the Commission's first since it established new programmes, priorities and approved new directives for its work. It will also be for the first

time since the U.N. General Assembly meeting in Special Session in May, 1974, called for the establishment of a new world economic order and approved a programme of action to bring it about.

In response to its new programme priorities, the Commission in the forthcoming session is to review the action taken under a ten - point agenda. Under one specific agenda item, ESCAP will review its policies and programme perspectives as well as progress in programme planning to reflect its new priorities. It will consider follow-up action under recommendations of the U.N. world conference on population and food held during 1974. Another important agenda item provides for a review of regional preparations for the second U.N world conference on industrialisation to be held in Peru in March 1976. A draft declaration will be considered setting forth proposals for action to increase the share of the ESCAP region in world industrial output from 2.7 per cent to 10 per cent by the year 2000 A.D. Also the Commission will review new directives for ESCAP's activities in wide ranging areas including aid programmes concerned with development planning, industrial development, housing, human environment, promotion and expansion of trade and monetary arrangements, transport, communication facilities, tourism, mineral resources, water resources, special measures for the least developed and landlocked countries, social development and welfare, population and statistical services.

The substantive agenda items of the forthcoming conference will be (a) policies, programmes and perspectives for development of the ECAFE region, (b) consideration of activities in the varying economic fields, (c) progress reports on major regional projects and regional institutions, (d) resolutions bearing on the work of the Commission adopted by the Economic and Social Council and the General Assembly and finally (e) the annual report of Economic and Social Council.

The first item of agenda relates to the implementation of the Colombo Declaration and the programme of action for the establishment of a new international economic order. This agenda item includes midterm review and appraisal at regional level of the international development strategy for the Second Develop-

ment Decade, integrated programme of work and priorities for the period 1975-77 and consideration of progress in respect of projects and priority areas and follow up action on the decisions of the World Population Conference, World Food Conference and Special Preparatory Meeting for the Second General Conference of UNIDO.

The second agenda item relates to the consideration and activities in the fields of economic and social development; food and agriculture; trade, industry, housing and technology and transport and communications; population and statistical services; natural resources namely energy, water and minerals; and technical cooperation and public administration.

The progress reports on major regional projects referred to in the third agenda item include Committee for Co-ordination of Investigations of the Lower Mekong Basin, Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Off-shore Areas, Committee for Co-ordination of Joint Prospecting for mineral resources in South Pacific Off-shore Areas; Asian Highway and Typhoon Committee. The progress reports on regional institutions include report of the Executive Secretary of ESCAP on the overall review of regional training institutions, Asian Institute for Economic Development and Planning, Asian Statistical Institute; Asian Centre for Development Administration and Asian Centre for Training and Research in Social Welfare.

DEVELOPMENT PROBLEMS OF ESCAP REGION SHORT AND LONG TERM SOLUTIONS

The Annual Report of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) for the year 1974 entitled 'Economic and Social Survey of Asia and the Pacific, 1974' has pointed out that the main current problems facing the ESCAP region - "inflation, balance of payments pressures and food shortages - will not be solved in the short term"; the only hope for many countries in the

short run is 'massive emergency aid'. The report has urged that long-term solutions to this and other problems facing Asian and Pacific developing countries would be brought about only by a fundamental change in the development planning and strategies aimed at the masses of people living below the poverty line.

Referring to the region's mounting oil bill, the report has reviewed the factors preventing early solution of the oil problem and stated that it would be unlikely for the petrol prices to decline in the near future. World Bank analysis indicates that developing countries cannot change their present pattern of production and consumption of energy before the early 1980s. The net oil bill for petroleum importers of the ESCAP region might be U.S. \$ 4,000 to \$ 5,000 million higher in 1974 than in 1973. It is felt in many industrial countries that the anti-inflation programmes launched by them might not bring down rates of inflation to acceptable levels within the next year. As a result, prices of industrial imports from developed countries are likely to remain high and even increase. Also there appears to be no break in the depressed market for the major export commodities of South Asia while the recent boom in many raw material prices for important exports of other countries in the region is over. Food shortages would persist with another bad harvest forecast in South East Asia during 1975, while fertilizers and pesticides are expected to remain in short supply and high-priced on the world market for the next few years, the ESCAP Report added. In short, "the short term outlook in the ESCAP region is, therefore, for reduced growth rates and declining welfare." Some countries have the reserves to weather the storm and emerge with a restructured development strategy. "The only hope for the citizens of the other countries (in the region) in the short run, is massive emergency aid."

The ESCAP report in discussing long term problems called for a radical re-orientation on development strategies with the basic goal of providing certain minimum levels of social welfare for the masses. This new focus would imply "a complete re-fashioning of the goals of planning, fundamental change in the basic institutional framework; the re-orientation of priorities, investment allocations, choices of technology,

structures of production and external trade as well as realignment of sectoral and other policies." The report further stated that the emerging consensus in the direction of the broader based planning among many developing countries would imply an indictment of the "growth-dominated and efficiency-motivated strategies" in which development performance is judged exclusively in terms of "growth in per capital gross domestic production".

While the new focus would vary from country to country depending upon the institutional and political constraints, certain elements of planning for the masses which would be important in most situations have been listed in the ESCAP Annual Report. "The basic goal should aim at raising the standard of living of the 'bottom 40 percent' with specific targets for different groups and their basic needs. Investment will have to be allocated in accordance with the basic objectives recognising the need for domestic capacity creation in key industries and the transformation of agriculture; priorities would have to be re-ordered in production and consumption involving a definite shift towards urgently needed mass consumption goods and away from the exchange pattern which is described as heavily biased in favour of goods for those in the high income classes; trade would need to be re-structured in line with reordered needs which will involve curtailment of the import of luxury goods and greater emphasis on the import of appropriate capital goods and basic raw materials; choice of technology should be re-examined in order to emphasise the maximum use of domestic re-sources and creation of domestic technology".

INDIA AND THAILAND-SCOPE FOR ECONOMIC COOPERATION

India has had long standing cultural links with Thailand, 'the land of the Free'. These traditional links have been strengthened over the years through growing commercial and economic collaboration. Besides expanding and diversifying mutual exchange of goods and services, the two countries have come to realise the scope for exchanging experiences in their

massive experiments of economic planning. Thailand has already made use of Indian expertise in setting up joint industrial ventures and the success of these ventures bears testimony to the export capability of sophisticated equipment and knowhow. Indeed there would be quite a few areas of manufacture in which Indian industry and trade can make available its services on a competitive and mutually advantageous basis.

Today, Thailand is on the threshold of economic progress and enjoys a sufficiently high level of national income among South East Asian countries. The dynamic endeavour of Thailand to build a strong infrastructure and modernisation of its farm, mining and other key sectors, is at once an indication of its determination to develop and the scope for a country like India to participate in the exciting task of their economic planning. Belonging, at it does, to a similar group of economies, India can offer its intermediate technology to Thailand and both the countries can usefully explore further avenues of cooperation.

Thai exports to India totalled Rs. 55.1 million in 1972-73 while her imports from India were of the order of Rs. 56.7 million in the same year. In 1973-74, however, the value of Indian exports was worth Rs. 92.2 million and her imports from Thailand were valued at Rs. 18.1 million. Rice had been the major commodity supplied by Thailand to India - worth Rs. 40 million in 1972-73. But in view of India's own efforts to improve domestic production of the cereal, it was not imported from Thailand in 1973-74, thus pointing out to the need for diversifying the import structure into India from Thailand. Some imports of ores of non-ferrous metals and raw hides and skins have also been taking place into India from Thailand.

As for the supplies from India to Thailand, the major items in 1973-74 were cotton manufactures (Rs. 12 million), metal manufactures (Rs. 9.7 million), chemicals (Rs. 10 million), iron and steel (Rs. 9.4 million), machinery (Rs. 10.5 million), transport equipment (Rs. 8.6 million), medicinal and pharmaceutical products (Rs. 4.7 million), cinematographic films. (Rs. 2.2 million) and animal feeding stuff (Rs. 1.2 million).

A brief review of the trend of India's exports to Thailand over the last few years would indicate that there would be growing export prospects for metal manufactures, chemical elements and compounds, machinery, electrical equipment and accessories, transport equipment particularly trucks, animal feeding stuff and dyeing, tanning and colouring materials.

The Third Social Development Plan of Thailand (1972-76) envisages extensive inland waterways, irrigation, power, highways, railways and port development, expansion of education facilities, creation of industrial estates, modernisation of agriculture, extension of telephone systems, and telecommunication and television network. The development of infra-structure viz. roadways, waterways, railways, airways, communications, irrigation and power are in the government sphere and the rest in the hands of private persons. In this context, India can supply transmission lines and other power distribution equipment, power generators, railway rolling stock and equipment, construction, mining and excavation machinery and equipment, lifting and handling equipment, electric motors, generators, compressors, machine tools, scientific and laboratory equipment and instruments, household electric goods, metal manufactures, industrial, rubber beltings and other industrial rubber goods, refractories and insulators, electric equipment, agricultural machinery, medicines and pharmaceuticals, flat glass and glassware.

A Memorandum of Understanding signed in 1970 for a three-year period provided for the import by India of 100,000 tonnes of rice a year and the import by Thailand of Indian plant equipment and machinery in competitive international tenders emanating from Government departments and agencies. The Memorandum has indeed proved mutually useful and Indian firms secured tenders for the supply of transmission lines, transformers and equipment and tools which were till then imported by Thailand from U.S.A. and Japan. The success of India's securing the tenders were indicative of the desire of Thailand to try Indian technology and plant in the process of their economic building as well as the competitive nature of Indian supplies.

At present there are two Indian joint ventures in Thailand, one for a steel mill and the other for a

synthetic fibre spinning unit. Both these ventures have gone into production. There are many other industries in which Indo-Thai joint collaboration can prove useful such as major vehicle parts, bicycles and tricycles, tractor producing or assembling, agricultural machinery, machine tools, building hardware, household and electric appliances, electric power pumps and centrifuges, specified chemicals, fertilizers, pulp and paper, food processing and canning, textiles, and forest products. Besides securing high value contracts for projects like the construction of transmission lines and setting up of joint industrial ventures, Indo-Thai economic collaboration can take yet another form. The market studies attempted by some of the Indian teams that visited Thailand have revealed that the Indian industry can offer consultancy services to Thailand in many sectors in the development of which Thailand is vitally interested. In view of the similarity of the development problems that both India and Thailand are faced with, the type of consultancy that India can offer should prove more appropriate than what Thailand can receive from industrially advanced countries.

Indo-Thai economic cooperation has thus taken new proportions in diverse sectors - trade, exchange of know-how, technology, industrial collaboration and supply of consultancy services. Indian economy has covered good distance in the path towards industrialisation. The economy of Thailand too is poised for modernisation and rapid industrial progress. There is a large scope for "Give and Take" between the two economies. But there has been information gap between them as to their capabilities and aspirations. It is mainly to fill up this gap that the Government of India are holding an exclusive 'Indian Trade and Industries Exhibition' at Bangkok. The Exhibition aims at projecting India's progress in selected fields and enable the entrepreneurs of not only of Thailand but of the other South East Asian countries to explore the scope for collaboration with India.

INDIAN ENGINEERING TRADE FAIR

The Indian Engineering Trade Fair, claimed to be the first ever of its kind in India on the model of international specialised trade fairs, has been recently

inaugurated by the President of Indian Republic, Shri Fakhruddin Ali Ahmed. The Fair (February 10-28, 1975) is organised by the Association of Indian Engineering Industry and aims at developing business and commercial opportunities in domestic and export markets. The Fair provides to the world at one place an idea of the engineering industry in India. Its other objects include export promotion of engineering goods and technical services, development of industrial projects between India and other countries and promotion of ancillary build-up and sub-contracting at a national and international level.

In his inaugural address, the President mentioned that the idea of holding specialised trade fairs of this kind would help dispel the wrong notion that India was still a backward country. "India today ranks among the first dozen industrial nations of the world. There is, however, inadequate realisation in overseas countries and for that matter, even in our own country, of the volume and range of our industrial production." The President felt that this trade fair was being held at an opportune time when there was an urgent need to increase the volume of the country's export trade. "There is no doubt that a great potential exists for boosting our exports of engineering goods and services. India can be a partner in the progress of other developing nations through the supply of technical know-how and consultancy services". The President further stated that if the production of engineering goods in India has increased twentyfive times in the last three decades, it should increase by another twentyfive times in the next five years.

On behalf of the Association of Indian Engineering Industry, it was stated that the objectives of the Association in organising the Fair were that the Indian engineering industry might act as a junior partner with major engineering exporters, aiming at foreign exchange earning of Rs. 8,000 million by the end of the current decade and also that the industry might build its exports on the basis of exportable surpluses so that domestic markets were fully satisfied. The other objectives of the Fair were that the engineering industry in the country might fully utilise its inherent advantages of skills, low costs and abundant labour and that it might assist through export of technology, skills and equipment and sub-contracting arrange-

ments, other developing and less developed nations to achieve economic and technical advance.

The products on display at the Fair reflect a significant capsule of the engineering industry in the country and indicate the industry's ability to compete in the world market.

Since the attainment of independence (1947), when industrial production was at a level of Rs. 4,000 million of which engineering production represented no more than Rs. 1700 million, the Indian engineering industry has made significant progress with its production in the last 25 years having increased by twenty-six times to the tune of Rs. 44,000 million.

Viewed in the historical perspective of India's technical skill in ancient times when the country was a leading industrial nation, the present development of the engineering industry has been possible owing to the strength flowing from the transfer of technical skills from generation to generation. The national objective of industrialisation called for the building of basic industries, such as, mining and production of iron and steel, aluminium and other metals, machinery and machine tools, electrical and mechanical equipment, power plants and heavy engineering equipment, railways, ship-building, aircraft and automobile manufacture, electronics and host of other engineering industries.

India's sharing of experience with other developing countries would be possible owing to the skills developed through a quick process from primitive to intermediate technology, with an emphasis on sophistication. This could cover direct cooperation between India and the other nations as also joint cooperation in third countries, both of a technical and technical-cum-financial nature.

Exports of engineering goods from India would principally be to countries in South and South-East Asia, the Middle East, Africa and Eastern Europe. These markets will benefit more in trading with India for non-traditional goods than with developed countries having advanced technologies. Trading with such countries will lead to greater opportunities and capital flow, quicker development of skills and

larger economic benefits. This in turn, will inevitably lead to greater regional co-operation on a much wider economic front.

In respect of trade with developed and highly advanced countries, the Indian engineering industry is keen to develop some form of partnership, but it is necessary that the advanced nations should see the compulsion to buy from India, so that both trading partners can avail of the maximum benefit accruing from such trade.

After inauguration of the trade fair on February 10, several overseas technical and buying delegations have visited the Fair. The visitors are reported to have been highly appreciative of the range and diversity of equipment displayed at the fair and the technological advance achieved by the Indian engineering industry. The delegations that visited the fair included those from USSR who showed keen interest in heavy engineering machinery and production, from Malaysia who were basically interested in negotiating with manufactures of drums and barrels, oil firing machinery and equipment and biscuit making machinery, from Philippines who were mainly interested in textile machinery and special silk processing machinery for unreeling of cocoons for silk manufacture, from UNIDO who sought to identify areas where sub-contracting with Indian engineering firms would be possible, from Uganda who evinced interest in textile machinery, from Canada whose interests were mainly in textile machinery and wires and cables and from Indonesia who were interested in collaborating with India in advanced industrial sectors.

SIZEABLE IMPROVEMENT IN PLASTIC PRODUCT EXPORTS

India-manufactured plastic and linoleum products are gaining growing popularity in overseas markets. The consistently rising export graph in the field in recent years is a confirmation of quality standard and price competitiveness of these non-traditional products in overseas markets.

Sustaining the export uptrend witnessed during 1973-74 over the preceding year, exports of plastic and linoleums secured increased foreign exchange earnings during the first three quarters of 1974-75 (April-December 1974) at Rs. 112.75 million as compared to only Rs. 72.30 million in the corresponding period of 1973-74, according to the Plastic and Linoleum Export Promotion Council, Bombay. The export target for the complete year of 1974-75 has been fixed at Rs. 150 million.

Exports during 1973-74 were of the order of Rs. 127 million which registered substantial improvement over the export performance during 1972-73 at Rs. 84.30 million and Rs. 63 million in 1971-72.

Of the total export realisation during the first three quarters of 1974-75 (Rs. 112.75 million), plastic products secured as much as Rs. 104.15 million while the share of linoleum items was of the order of Rs. 8.60 million. During the corresponding period of 1973-74, the respective export values of the product groups were Rs. 62.16 million and Rs. 10.15 million.

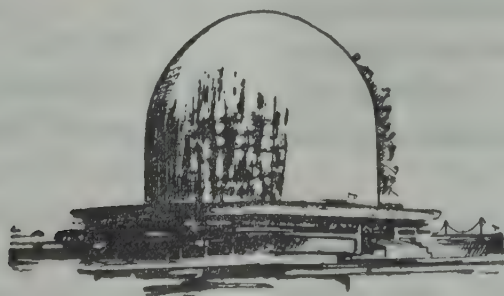
In the plastic group, plastic moulded and extruded goods earned Rs. 17.75 million during April-December 1974, as against Rs. 9.48 million (April-December 1973) while plastic imitation jewellery improved its overseas offtake to Rs. 15.10 million from Rs. 9.78 million. PVC rigid pipes and conduits registered a sharp improvement in their export earnings during the period under review to Rs. 14.88 million from barely Rs. 1.85 million and polyethylene/polypropylene films, sheets, bags and woven bags and sacks Rs. 11.90 million against Rs. 6.98 million. In fact, these four plastic categories accounted for more than 50 per cent of the

total foreign exchange earnings during April-December 1974.

Among other products in the plastic group, plastic electric accessories brought in Rs. 9 million against Rs. 3.43 million, PVC gramophone records and accessories Rs. 7.43 million against Rs. 5.25 million, laminates (phenolic melamine) Rs. 3.25 million against Rs. 1.30 million, plastic bangles Rs. 3.84 million against Rs. 3.37 million, PVC sheetings including paper based PVC sheetings Rs. 4.44 million against Rs. 1.35 million and PVC leather cloth Rs. 3.25 million against Rs. 1.90 million. Besides, plastic dental materials and products, expanded polystyrene products, handbags, purses and other PVC fabricated goods, polyethylene rigid and flexible pipes, metallised plastic products, foam leather cloth and sheetings plastic brushes and nitro-cellulose cloth were the plastic products which registered moderate improvement.

Among plastic products that registered fall in exports during April-December 1974 against their exports during the corresponding period of 1973 included spectacle frames (nearly Rs. 4 million against Rs. 8 million), fountain pens, ball point pens, sign pens and fibre tip pens (Rs. 3.45 million against Rs. 5.88 million).

In the linoleum group, both the categories of linoleums, i.e. jute based and felt based secured respectively Rs. 6.25 million and Rs. 0.45 million as against Rs. 4 million and Rs. 0.25 million. Phenol formaldehyde moulding powder also improved to Rs. 0.30 million from Rs. 37,000. However, rigid PVC compound which earned nearly Rs. 3 million during April-December 1973 did not appear in exports during the period under review while polyethylene/jute combinations witnessed fall at Rs. 1.37 million from its earlier level of Rs. 2.80 million.



AGRICULTURAL TRACTORS AGAINST FOREIGN EXCHANGE RECEIPTS

Government of India have drawn up a new scheme for priority allotment of agricultural tractors against inward remittances of foreign exchange. The benefit of this scheme is available to Indian nationals who have returned to India from abroad, and relatives of Indians who are residing abroad and who have remitted foreign exchange in favour of the relatives in India for the purpose of purchase of a tractor. Under the scheme, persons applying for allotment of a tractor on priority basis have to submit evidence of having brought into India, or received a remittance of foreign exchange equivalent of the minimum amounts laid down by the Ministry of Heavy Industry from time to time for the different varieties of tractors. The evidence will be in the form of certificates to be given by the authorised dealers in foreign exchange showing that sufficient foreign exchange has been brought into India, or received, as the case may be, by the applicants, for the purpose of purchase of a tractor.

The Ministry of Heavy Industry will start receiving applications on the prescribed form through the banks authorised to deal in foreign exchange with effect from the date to be notified.

GRANT OF EMERGENCY RELIEF CREDIT TO BANGLADESH

The Government of India and the Government of Bangladesh have entered into a Credit Agreement which came into force on 12th November, 1974, whereby the former have granted to the Government of Bangladesh an Emergency Relief Credit upto an amount of Rs. 100 million to assist them in meeting the unprecedented situation created by natural disasters in that country. The credit shall be available for meeting the cost of petroleum products, salts, pig iron and cement.

The export of goods from India and their import into Bangladesh under this credit shall take place

through commercial channels subject to the laws and regulations in force in both the countries. Prices and other terms and conditions shall be settled between exporters in India and the importers in Bangladesh.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

BREAKTHROUGH IN ALLOY STEEL MANUFACTURE

Claimed to employ new-electro-slag smelting process for the first time in India for the manufacture of a wide range of sophisticated alloy steels, the alloy steel plant of M/s. Firth (India) Steel, presently being set up at Nagpur in Maharashtra is to achieve a major breakthrough in the field of alloy steel manufacture. The production range of alloy steel of the firm includes high speed steel, valve steel for engines and ball bearing steels etc. The alloy steels to be manufactured by the firm are to be used by the Atomic Energy Commission and the Space Research Centre, among others.

The Plant is expected to go on production stream by the end of April this year and commercial production is expected to commence in May 1975. The original capital cost outlay of the plant has been estimated at Rs. 31 million.

The annual licensed capacity of the unit is stated to be of the order of 6000 tonnes of alloy steel billets while its annual turnover at its full capacity has been estimated about Rs. 60 million. The plant has been designed in a way that it may expand its capacity with addition of only some balancing equipment.

The firm's plant at Thana in the same state is already manufacturing rolled bars, drawn, heat treated and ground bars. The company have lately secured a letter of intent for the manufacture of 3000 tonnes of hollow drill steel bars. This is stated to be almost 100 per cent import substitution item as these are being imported into the country at present.

PRODUCTION TRENDS IN SELECTED INDUSTRIES

Sl. No.	INDUSTRY	Unit	1971-72	1972-73	1973-74 (Prov.)
I. Mining & Quarrying					
1.	Coal (incl. lignite)	'000' Tonnes	74046	79315	81171
2.	Iron ore	"	34217	35435	35200
3.	Manganese Ore	"	1750	1578	1351
II. Food Manufacturing					
4.	Flour Milling	"	2662	2631	1860
5.	Sugar	"	3452	3639	3772
6.	Vanaspati	"	590	581	448
7.	Salt	"	5745	6781	6311
8.	Tea	Million kg.	430	453	468
III. Beverage & Tobacco					
9.	Cigarettes	Million number	67339	60747	65979
IV. Textiles					
10.	Cotton yarn	Million kg.	903	972	983
11.	Cotton cloth (Mill)	Million Metres	4039	4224	4049
12.	Jute manufactures	'000' Tonnes	1274	1213	1074
V. Footwear					
13.	Western Type Footwear	'000' Pairs	8315	7466	7178
14.	Indigenous Type Footwear	"	7841	6422	7321
VI. Mfr. of Paper and paper board					
15.	Paper & Paper Board	'000' Tonnes	801	791	790
16.	Newsprint	Tonnes	39986	40500	48700
VII. Mfr. of Leather and Fur Products					
17.	Chrome Tanned hides	'000' Nos.	1176	1671	2443
18.	Vegetable Tanned Hides	"	923	849	801
VIII. Rubber Products					
19.	Rubber Footwear	'000' Pairs	45195	39700	38885
20.	Waterproof Fabrics	'000' Mtrs.	3447	3529	2601
21.	Tyres for Automobiles	'000' Nos.	4837	4955	5241
22.	Bicycles Tyres	"	22735	20435	23761

22. Tubes for Automobiles	"	4692	4688	4774
23. Bicycles Tubes	"	14495	13905	15905
IX. Chemical products				
24. Nitrogenous Fertilizers	'000' Tonnes	935	1119	1060
25. Phosphatic Fertilizers (P_2O_5)	"	304	337	323
26. Soda Ash	"	489	486	480
27. Caustic Soda	"	385	397	417
28. Sulphuric Acid	"	1261	1315	1357
29. Liquid Chlorine	"	158	133	117
30. Calcium Carbide	Tonnes	69909	55991	66677
31. Soap	'000' Tonnes	278	273	231
32. (a) Sulphur black	Tonnes	1262	1632	763
(b) Paints and Varnishes	"	66442	71163	68881
33. Naphthol	"	1213	1341	1242
34. Azo Dyes	"	2363	2455	2610
35. Vat Dyes	"	963	1195	1237
36. Solublized Vats	"	110	142	103
37. Glycerine Refined	"	9508	9635	7805
38. Zinc Oxide	"	5782	4880	5414
39. Viscose Staple Fibre	"	62367	71443	61980
40. Viscose Filament Yarn	"	37828	39518	37207
41. Acetate Yarn	"	1987	2100	1900
X. Petroleum Refinery Products				
	'000' Tonnes	19643	17861	19905
XI. Mfr. of Non-Metallic Minerals				
42. Cement	"	15040	15562	14671
43. A. C. Products	"	382	402	421
44. Glazed Tiles	Tonnes	21746	25589	27456
XII. Basic Metal Industries				
45. Pig Iron	'000' Tonnes	6205	7269	6390
46. Finished Steel	"	4539	5018	4710
47. Semi-finished Steel	"	1007	837	784
48. Aluminium Ingots	"	182	175	145
49. Aluminium Foils	Tonnes	5141	7523	5772
50. Copper Ingots	"	8334	12463	12740
51. Zinc	Tonnes	24601	22800	23600
52. Gold	Kgs.	3540	3329	2584
53. Steel Ingots	Million Tonnes	5.8	6.1	5.7
XIV. Mfr. of Metal				
54. Wood Screws	Million Numbers	1496	1494	1173
55. Machine Screws	"	609	739	489
56. Razor Blades	"	817	1092	924

Source : Office of the Economic Advisor to the Government of India.

OVERSEAS COMMUNICATION SERVICE IN INDIA

The overseas communication service (OCS) in India is responsible for the establishment, maintenance and operation of India's external telecommunication service. The service has four gateway centres at Bombay, Calcutta, New Delhi and Madras. An earth station operating with the Indian Ocean Satellite of the International Satellite Consortium (INTELSAT) is located at Arvi in the Maharashtra and the second earth station is under construction at Dehradun, U.P.

India's overseas communication service provides a wide coverage of different types of international telecommunication services through its satellite and HF installations. OCS today maintains telegraph service with all parts of the world, telephone service with 174 countries, telex service with 163 countries and radio-photo service with 54 countries. During 1973-74, telephone service with four countries and telex service with three countries have been added. Besides these, other services provided by OCS include : (i) leased private wire teleprinter, telephone and radio-photo channel for exclusive use of subscribers; (ii) point to point programme transmission service for broadcasting organisations; (iii) transmission and reception service for multi-destination press broadcasts; (iv) standard frequency/standard time services; (v) multi-address teleprinter news broadcast transmission on behalf of the Ministry of External Affairs simultaneously to 66 Indian Consular posts abroad; (vi) radio-photo broadcast service for the Indian Meteorological Department round the clock; (vii) point to point telegraph news transmission service provided to the Press Trust of India and (viii) reception arrangements for press telegrams on behalf of Indian News Agencies.

The major developments in recent years in this field are commissioning of the news inter-continental telex exchange in December 1972 and the Inter-continental telephone exchange in November 1973. There has been a steep rise in telex traffic with the cut-over of the telex exchange, alongwith a significant improvement in the quality of service. A similar marked improvement in the telephony is expected

when operator dialling facility is available on the new inter-continental telephone exchange.

As on December 1, 1973, OCS operated 74 satellite channels via Indian Ocean Satellite of INTELSAT to provide direct operation with various countries for the different kinds of telecommunication services. Nine of these circuits are voice frequency bearer channels providing 50 band circuits required for telex, telegraph and leased teleprinter channels. Direct phototelegraph service via satellite is provided to Australia, France, West Germany, Hong Kong, Japan, Malaysia, UK and East African Countries.

The HF radio system of OCS is a back-up for the satellite system during contingencies. Apart from this, telephone services are maintained with Aden, Afghanistan, Burma, Ethiopia, Indonesia, Iran, Nepal, Nigeria, Saudi Arabia, Sri Lanka, Thailand, USSR and South Vietnam, telegraph services with Aden, Afghanistan, Republic of Egypt, Burma, China (2 Circuits), Czechoslovakia, France, Hong Kong, Indonesia, Iran, Iraq, Nepal, Nigeria, Poland, Rumania, Thailand, United Kingdom, USA, USSR, North Vietnam, South Vietnam and Yugoslavia, telex Service with France, Hong Kong, Iran, Nepal, Philippines, Sri Lanka, USSR and United Kingdom, photograph service with Afghanistan, Ethiopia, Poland and USSR.

India's international telecommunication traffic has grown steadily over the years. Its telephone and telex traffic has registered substantial growths in recent years with the commissioning of the satellite system and associated intercontinental switching complex. During 1973-74, telegraph messages through OCS are estimated at 3.75 million numbers against 3.65 million numbers in 1972-73, 3.70 million numbers in 1971-72, 3.06 million numbers in 1965-66, 2.97 million numbers in 1955-56 and 2.50 million numbers in 1947-48. In the same year (1973-74), traffic growth on telephone was of the order of 3.97 million minutes as against 2.8 million minutes (1972-73), phototelegraph 967,000 square centimetres against 957,240 square centimetres, telex 4.14 million minutes against 2.74 million minutes and leased teleprinter channels 54 against 51 in 1972-73. The year 1971-72 was an abnormal year for telegraph and phototelegraph on account of border clashes.

NOTE : The item "Standardization for Building Materials" which appeared in the previous issue of this weekly (Vol. V No. 7 dated February 15, 1975) may be read as "Approval of New Building Materials". The inconvenience is regretted.

INDIA'S LARGEST ALUMINIUM COMPLEX

India's largest Aluminium Plant is fast coming up at Korba in Bilaspur district of Madhya Pradesh. The Plant will produce 100,000 tonnes of virgin aluminium metal every year when fully commissioned. Besides being India's largest aluminium complex, the Korba Plant is also the first of its kind in the Public Sector.

The Bhopal Unit of Bharat Heavy Electricals Limited is executing the complete work, at Korba valued nearly Rs. 80 million at on a turn-key basis. This includes the design, manufacture, erection and commissioning of the entire power electrics required for the Smelter Plant. BHEL engineers and technicians are engaged in erecting and commissioning the equipment, already supplied from Bhopal.

The Korba aluminium complex located in under-developed Chhattisgarh region of Madhya Pradesh, will provide large potential of employment and will also help in the growth of several ancillary industries in that region.

Aluminium widely used in industry, plays an important part in daily life. This metal is used in the manufacture of aircraft bodies, railway coaches, bush bars and conductors, tubes, channels, angles and so on. It is also widely used in the manufacture of household

utensils. Ultimately, aluminium is aimed at replacing copper, a costly metal which is scarce within the country.

BHEL, Bhopal, the pioneers in the heavy electrical field in India, have also supplied power rectifier equipment for diverse applications from stationary traction sub-stations to very sophisticated industries. Over 40 large rectifier sets of BHEL (Bhopal-make) totalling 7,55,000 KW are already successfully operating in a number of industries, such as, aluminium, caustic soda etc. Another 1,65,000 KW of rectifiers are in various stages of manufacture at Bhopal.

BHEL, Bhopal has made significant contribution in the growth of aluminium industry in the country. The Indian Aluminium Company's aluminium sheet rolling mill at Taloja (near Bombay) has already been equipped with sophisticated electric drives and controls supplied from Bhopal. Matching mechanical equipment for the mills has been supplied by firms in West Germany and Canada. Large power rectifier equipment with associated controls have also been supplied to major aluminium plants at Belgaum (in Maharashtra) and Renukoot (in Uttar Pradesh).

Prior to establishment of manufacturing facilities at Bhopal, the entire power rectifier equipment was being imported from abroad and even for erecting and commissioning this equipment, engineers and technicians came from abroad. This gap has been filled by the Bhopal Unit of BHEL.

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INDIAN BICYCLES FARE WELL ABROAD

Indian bicycles and parts today account for a sizeable portion of India's engineering goods exports. Indian bicycle industry has been instrumental in earning growing volume of foreign exchange from year to year. For instance during, 1973-74, it secured increased foreign exchange valued at Rs. 147 million as compared to Rs. 105.50 million in the year that preceded. In fact, the exports rose to this level from only Rs. 69 million in 1970-71. The uptrend is being maintained in the current financial year also. According to the Engineering Export Promotion Council, Calcutta, the exports during the first seven months of 1974-75 (April-October 1974), fetched Rs. 102 million as compared to only Rs. 72 million in the corresponding period of 1973-74.

During the complete year of 1973-74, India supplied abroad in all 191,000 complete bicycles at a value of Rs. 27 million. Additionally, parts and components fetched another Rs. 120 million. During

1972-73, complete bicycles worth Rs. 25.80 million were sold abroad. Indian bicycles find their way to even sophisticated markets like the U.S.A. Besides, Iran, Nigeria, Indonesia, Bulgaria, Malawi, Kenya, Bangladesh, Iraq, Afghanistan, Singapore and Mauritius are the significant importers of Indian bicycles.

The indigenous development of technological expertise and skill in this line of manufacture has enabled the Indian's bicycle industry to enter into the exports of technical know-how and even to accept turnkey assignments in the field.

One of the major units which contributed to the rapid development of India's bicycle industry in terms of production and exports, M/s. Atlas Cycle Industries Limited, Sonapat, Haryana have achieved encouraging export performance during 1974. The company's exports, so far, amounted to as much as Rs. 36 million. The firm's bicycles are popular in over 40 countries of the world.

During 1973, the Sonapat firm entered into an agreement with M/s. National Development Corporation of Tanzania for the supply of technical know-how

Economic Community countries and Japan. A vast export potential awaits India's new wool-product range for the manufacture of all the components of Roadster type of bicycle in that country. Complete know how is to be absorbed by the Tanzanian technical personnel in three phases. In fact, this is the second agreement M/s. Atlas have entered into with a foreign firm. The first one for supply of technical know-how for the manufacture of bicycles had been entered into by the Indian firm with Iran. The firm's engineering personnel are currently engaged at Dar-es-Salaam in the task of materialising the project.

The firm has been consistently achieving increased production turnover of bicycles wayback from 1965. During 1974, the firm produced 576,078 bicycles out of which 575,485 were sold during the year itself. However, compared to its total output in 1973, the production during 1974 registered a fall owing to some constraints at production level. The firm came into existence as far back as 1951.

Wayback in 1947 when India achieved Independence Indian bicycle industry's output was limited to only 37,000 numbers. During 1974, it reached as much as 2.7 million numbers. In 1972-73, it was only 1.80 million numbers. Besides complete bicycles, Indian bicycle industry turns out a comprehensive range of ancillaries and parts, such as freewheels, chains, rims, hubs and nipples, saddles, mudguards, chainwheels and so on.

At present, there are 14 units engaged in the manufacture of complete bicycles and their licenced capacity is of the order of 3.73 million numbers. Besides these, there are over 300 units in the small sector producing bicycle parts and accessories.

WOOLLEN KNITWEAR TO GCA MARKETS

M/s. Alps Knitting Works, Chowk Saidan, Ludhiana (Punjab) exported Woollen knitwear at a value of over Rs. 4.8 million to General Currency Area markets during the period from April 1970 to September 1974. It is claimed by the firm that it would top

the list of exporters to GCA markets during the year 1972-73. The State Trading Corporation (STC), it is stated, has issued the firm a certificate specifying the firm's achievement in the export of woollen knitwear to GCA market.

India's wool and woollen products brought in record export earnings of Rs. 520 million during 1973-74 as against Rs. 489 million in 1972-73. Wayback in 1964-65, the exports were of the order of only Rs. 146 million. The export destinations of India's woollen industry, besides a large number of developing countries, include even the most sophisticated economies like the USA, Canada, UK, European

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abroad in which mention can be made of worsted suitings, readymade garments and blankets. More than 40 percent of the total exports are accounted for by non-traditional woollen items. The industry's efforts to achieve growing diversification to cater to exact demands of buyers abroad are yielding rich dividends. During the first eight months of 1974-75 (April-November 1974), the exports are estimated at Rs. 360 million. During the full year of 1974-75 these are expected to reach nearly Rs. 540 million.

Woollen carpets, druggets and namdahs constitute an important area of India's woollen exports. Woollen hosiery is also equally active in exports. Besides, raw wool, woollen/worsted and mixed fabrics, woollen blankets, woollen blended readymade garments and woollen shawls and scarves are the other woollen items that find growing market abroad.

EXPORT PERFORMANCE AND POTENTIAL

INDO-FINNISH JOINT COMMISSION MEETING

Diversification of trade and identification of more areas for economic cooperation were discussed in the first meeting of the Indo-Finnish Joint Commission held recently at New Delhi. A high level Finnish delegation has arrived in India to participate in the trade talks with India.

Both the Governments agreed to increase trade and economic relations between the two countries. It was expected that the Joint Commission would try to find out the causes of the present low volume of trade and recommend measures to remove these. It was further agreed that India and Finland would enter into more joint collaborations in the interest of both the countries. It was hoped from the Indian side that the liberal treatment extended by Finland to Indian textiles and handloom products would be continued further and exchange of non-traditional items between the two countries would increase.

At present, India's share in Finland's total global imports is limited to hardly one percent. India's exports to Finland increased from Rs. 5.5 million in 1970-71 to Rs. 21.10 million in 1973-74. The exports during the first five months (April-August 1974) of the current financial year were of the order of Rs. 6.60 million as compared to Rs. 4.4 million in the corresponding period of the preceding year. India's imports from Finland, on the other hand, increased from Rs. 23.50 million in 1970-71 to Rs. 41 million during 1973-74. The share of Finland in India's global imports comes to about 0.15 percent.

Textile items, mainly handloom fabrics, constitute India's main exports to Finland while paper and paper board including newsprint are the principal items of imports from Finland. Exports of engineering goods amounted to only Rs. 106,000 during 1973-74 as against Rs. 41,000 during 1972-73.

BASIC CHEMICALS AND PHARMACEUTICAL EXPORTS SPURTED

India's export trade in basic chemicals, pharmaceuticals, cosmetics and allied products during the first three quarters of 1974-75 (April-December 1974) at Rs. 902 million not only outstripped the pro-rata export target set for the period at Rs. 605.25 million but also the exports effected during the full preceding year of 1973-74 at Rs. 802 million as also the target fixed for the complete year of 1974-75 at Rs. 807 million, according to the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Bombay.

Drugs, pharmaceuticals and fine chemicals continued to be the major group of export dynamism during April-December 1974. The group earned as much as Rs. 351.20 million as against the prorata target of Rs. 292.50 million set for the period. During 1973-74, the exports were of the order of Rs. 375.40 million while for the complete year of 1974-75, the export target was set at Rs. 390 million.

The next group active in exports during the period pertained to inorganic chemicals, organic chemicals and

agro-chemicals. The total earnings of this group during April-December 1974 was of the order of Rs. 167.90 million which surpassed prorata target for the period (Rs. 67.50 million) and the export target for 1974-75 (Rs. 90 million). The exports during the full year of 1973-74 were at Rs. 169.20 million. Of the total earnings of the group during April-December 1974, inorganic chemicals secured as much as Rs. 131 million while the shares of organic and agro-chemicals were respectively at Rs. 30 million and Rs. 6.90 million.

Dyes, intermediates, alcohol and coal tar chemicals group brought in Rs. 146.10 million as against the prorata target of Rs. 112.50 million. The exports during 1973-74 were Rs. 102.51 million. The target for the complete year of 1974-75 has been fixed at Rs. 150 million.

Besides these, the group of glycerine, soaps, detergents, cosmetics and toiletries earned Rs. 34 million against the prorata target of Rs. 39.87 million. During 1973-74 the actual exports were of the order of Rs. 42.28 million while the export target for 1974-75 was set at Rs. 52.50 million.

Agarbattis (incense sticks) also brought in increased foreign exchange at Rs. 19.90 million and exceeded the prorata target of Rs. 16.50 million. During 1973-74 actual exports were at Rs. 19.20 million while the target for 1974-75 was fixed at Rs. 22 million. As against the prorata target of Rs. 76.40 million of essential oils, drugs and miscellaneous items, the export performance of the group during April-December 1974 was Rs. 182.92 million. Of this, crude drugs alone netted Rs. 102.20 million. Essential oils and miscellaneous items earned respectively Rs. 75.95 million and Rs. 4.78 million.

In 1973-74, Indian rubber-manufactured goods secured foreign exchange worth Rs. 31.6 million as compared to Rs. 14.3 million in the preceding year, according to the Chemicals and Allied Products Export Promotion Council, Calcutta. The target for 1974-75 stands at Rs. 40 million. Actual earnings during the period April-November 1974 were of the order of Rs. 26 million as compared to about Rs. 14 million during the comparable period of 1973.

Cycle tyres and tubes were the largest export earners in the range of exports during April-November 1974. Their exports registered a sharp increase at Rs. 9.50 million as against only Rs. 4 million during the corresponding period of 1973. Beltings came next with an earning of Rs. 3.6 million against Rs. 1.4 million during the corresponding period of 1973. Other items in the group, Rubber Hygienic and Pharmaceutical Rubber Products (excluding Gloves); Hoses; Rubber cots and Aprons (for Textile Industry) and Sheetings earned Rs. 1.2 million, Rs. 1 million, Rs. 0.5 million and Rs. 0.3 million respectively during the first eight months of the year (April-November 1974) as against Rs. 0.4 million, Rs. 0.9 million; Rs. 0.4 million and Rs. 0.2 million in the corresponding period of the preceding year. Hair Beltings fetched Rs. 0.26 million. In the corresponding period of 1973, the product was not exported at all. Another item in the group—Rubber Gloves fetched Rs. 1 million as against Rs. 0.5 million. Besides, other Rubber-manufactured products also contributed sizeably to the overall export earnings during April-November 1974. Afghanistan, Australia, Bangladesh, Belgium, Dubai, Ghana, Fiji, Iran, Iraq, Kenya, Malaysia, Saudi Arabia, UK and Zambia are the prominent importing countries.

EXPORT PROCESSING ZONE FOR PUNJAB

An export processing zone for woollen and hosiery goods will be set-up soon in Punjab with the twin objective of increasing foreign exchange earnings from woollen goods exports and acquiring the latest technology in their manufacture and designing, according to a news item which appeared in the 'Wool News'

RUBBER GOODS ON EXPORT FRONT

Indian rubber goods have created a demand for themselves in the overseas markets because of sophistication in quality and competitive prices.

published by the Wool and Woollens Export Promotion Council, Bombay.

The clearance for the proposed zone has been already obtained by the Punjab Government from the Trade Development Authority of India, it is stated.

According to the State Directorate of Industries, the zone to be established near Dhandarikalan in Ludhiana district will open up immense opportunities of employment for skilled industrial workers, besides pushing up exports of woollen and hosiery goods. All industrial units to be set-up in the zone will be located within a bonded industrial estate under the supervision of customs and Central excise departments. Machinery and equipment required for these units will be allowed to be imported from preferred sources of supply, irrespective of their local availability.

The entire production of these units will be meant for overseas markets.

Technically qualified engineers having latest technology and know-how or entrepreneurs who can assure guaranteed marketing tie-ups with foreign buyers will get priority in the matter of setting up industries in the proposed zone. A package of incentives will be offered to exporting units on the lines of those available in the Santa Cruz Export Processing Zone and the Kandla Free Trade Zone. Incentives include duty-free import of capital equipment and machinery, raw materials and components.

Besides, these units would be given 100 per cent exemption from local taxes in respect of indigenous purchases in addition to arranging advance supplies of raw materials and blanket foreign exchange permits for travel and publicity abroad.

TRENDS IN SALT EXPORTS

Indian salt contributes fairly to country's foreign exchange earnings. The exports during 1974-75 (upto 25th February 1975) are estimated at Rs. 19.15 million. During the full years of 1973-74, 1972-73 and 1971-72, the exports were valued at Rs. 12.33 million,

Rs. 15.5 million and Rs. 13.25 million respectively. Salt exports are canalised through the State Trading Corporation with effect from 1st June 1959 with twin objectives of safeguarding the interests of producers for ensuring them maximum foreign exchange realisation from overseas buyers and for avoiding cut - throat competition between the manufacturers.

The United Kingdom, Japan, Taiwan, Philippines and South Korea are the major buyers of Indian salt. In recent years, Bangladesh emerged as an important importing destination. Besides booking export orders for salt, STC's foreign offices in Africa, Middle East and South East Asian countries are associated actively in locating and servicing the buyers.

India annually produces about 6.5 million tonnes of salt. However, it can be progressively stepped up subject to sale outlets both at home as well as outside the country. The problem of loading facilities at ports is causing hinderence to the exports in the field. Attempts are underway for developing mechanical loading facilities at Kandla port with a view to achieve a loading rate of about 10,000 tonnes perday. An expert study in being made to this effect. If the scheme is approved, it may take about 3 years for its implementation.

SHARP INCREASE IN CASHEW EXPORTS

India's export trade in cashew kernels registered appreciable increase in terms of value during the first eleven months of 1974 (January-November 1974) despite fall in the quantum of exports. According to the Cashew Export Promotion Council, Ernakulam, the exports in terms of value during the period under review were of the order of over Rs. 901 million as compared to Rs. 706.60 million in the corresponding period of 1973. However, the quantum of exports came down to 48,133 tonnes (January-November 1974) from 54,344 tonnes (January-November 1973).

Accounting for as much as 49 per cent of the total Indian overseas supplies during January-

November 1974, USSR topped the list of importers having absorbed 23,690 tonnes as against 20,700 tonnes (January-November 1973). Australia and Hong Kong constituted two other destinations which improved their offtake during the period under review to 1804 tonnes and 799 tonnes respectively from 1032 tonnes and 543 tonnes.

USA, Canada, Japan, Netherlands, the U.K., Federal Republic of Germany, German Democratic Republic and Czechoslovakia, however, reduced their purchases during January-November 1974 as compared to their imports during the corresponding period of 1973.

Cashewnut shell liquid registered increase both in terms of value and quantity during the period under review. Valuedwise, the exports improved to Rs. 11.80 million from Rs. 4.69 million while in terms of quantity, the overseas supplies rose to 5351 tonnes from 4039 tonnes. Japan and USA were the significant buyers which improved their imports to 1627 tonnes and 1166 m. tonnes respectively from their earlier level of 1230 tonnes and 406 tonnes. U.K., however, reduced its intake to 1801 tonnes from 1986 tonnes.

The export increase in respect of cashew kernel and cashewnut shell liquid during January-November 1974 was mainly attributed to higher unit value realisation. For instance, per kg. value in respect of cashew kernels during the period was Rs. 18.73 as compared to Rs. 13 during January-November 1973 while in respect of cashew shell liquid, it was almost double at Rs 2206 per tonne as compared to 1162 per tonne.

During 1973-74, India's export trade in cashew kernels brought in foreign exchange at Rs. 744.30 million as against Rs. 688.20 million in 1972-73 and Rs. 613.30 million in 1971-72. The quantum of exports in the respective years was 52,293 tonnes, 66,278 tonnes, and 60,378 tonnes.

In terms of percentage, USSR, the largest buyer of cashew kernels from India during the year accounted for 38.20 per cent, followed by U.S.A. at 35.30 per cent. Besides, Japan, Canada, Australia and U.K. were the other major buyers.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ON INDIA'S PUBLIC SECTOR

The public sector in which India has an investment of Rs. 60,000 million has been steadily achieving viable savings in its operation. It has earned a net aggregate profit of Rs. 660 million which is three times that of the previous year. The dramatic reversal of trends is apparent when the profitability is compared with the loss of Rs. 950 million incurred in the years between 1966 and 1972. According to current estimates, public enterprises in India will turn in a record surplus of Rs. 1500 - 2000 million in 1974-75 or a third of the surplus they are supposed to provide in the Fifth Plan period.

In the last four years, the public sector has become much more efficient than before. Inventories have declined from 5.8 to 4.4 months' cost of production and from 70 to 52.2 per cent as a proportion of the current profits. There is further scope for improvement as the management tightens its hold.

In addition to good material management there have been improvements in capacity utilisation in the maintenance of plant and equipment and in achievement of higher labour productivity resulting in the realisation of higher unit values.

Profitability, however, rests on physical increases in production and turnover. Heavy industry units have improved their turnover by 46 per cent in the first quarter in 1974-75 compared with the corresponding period in 1973-74 or from Rs. 630 million to Rs. 930 million. Heavy and light engineering industries are accelerating their production at rapid rates. Soon they will meet production targets and utilise upto 70 per cent of their licensed or installed capacity. The public sector has achieved its profitability inspite of being loaded with contracts without price escalation clauses.

There were 118 public sector enterprises running on March 31, 1974. Of these 77 earned a net profit of Rs. 2066 million in 1973-74 and 41 enterprises

sustained loss of Rs. 964 million. Profits before tax in 1973-74 were nearly seven times of those in 1971-72. Higher and still higher targets are set for the enterprises to bring their targets close to installed capacities. The targets are being reached.

Contributing substantially to the picture of over all profitability are the public sector units in the Heavy Industry Group. During the 10 months of 1974-75, (April 1974—January 1975), the 15 units under this category have produced goods worth Rs. 4120 million and are likely to achieve 97 per cent of their target. Bharat Heavy Electricals Limited (BHEL), Jessops and Machine Tool Corporations of India Limited have exceeded their targets of production for the year. The production of the BHEL group has exceeded the production target of Rs. 2240 million by Rs. 40 million. The BHEL Group is fast approaching full utilisation of capacity.

BHEL has recorded cent per cent achievement of the target by the end of January 1975 and it expects to exceed the annual target by a respectable margin. Production in Heavy Engineering Corporation has totalled Rs. 624 million in 1973-74 or 27 per cent higher than Rs. 490 million produced in 1972-73. Production is expected to rise significantly in the current year. The Hindustan Machine Tools production in 1973-74 was Rs. 408 million. Another public sector undertaking which has grown by leaps and bounds is the Indian Telephones Industries (ITI). The ITI has already set up three new manufacturing units entirely from its own know-how. The production at the components factory at Srinagar is targetted at Rs. 6.8 million in 1974-75 or double the capacity originally contemplated. The transmission factory at Naini, (Allahabad) expects to produce equipment worth Rs. 55 million in 1974-75. The Telephone Instruments Factory also at Naini is expected to produce 50,000 telephones worth Rs. 8 million while the project construction goes on side by side to reach the full production target of 500,000 telephones a year. The ITI has broken all its records in 1973-74 with a financial turn over of Rs. 470 million which shows an increase of 17 per cent over the performance in the previous year.

M/s. Hindustan Aeronautics Limited (HAL) under the Ministry of Defence has doubled its profits in

1973-74, from Rs. 47.60 million during the previous year to Rs. 95 million. The value of production rose by 24 per cent and sales went up by 15 per cent. The sales of MIG complex of the undertaking rose to Rs. 424 million and that of the Bangalore complex to Rs. 374 million registering an increase of Rs. 60 million each. The sales of the Kanpur Division will show substantial increases when seven US - 748 passenger aircrafts are delivered to the Indian Airlines.

The public sector is acquiring a central role in India's foreign trade. The State Trading Corporation (STC) set up to undertake trade with countries abroad has acquired a prominent position in the USA, Canada, Australia and Japan. One-third of the STC exports consist of consumer goods like combs, cuff links, cosmetics and cigars. In 1972-73, small-scale products accounted for 70 per cent of the exports compared to 46 per cent in 1971-72. The Minerals and Metals Trading Corporation (MMTC) has registered a six-fold increase in the turn over in the last decade. The STC and the MMTC account for a fifth of the total exports and the same share of the total imports.

New factories have been set up in the engineering sector. The Bharat Electronics Ltd. (BEL), Bangalore had added a new unit in Uttar Pradesh. The Bharat Heavy Electricals Limited (BHEL) which already operates four units, has set up a fifth for manufacturing transformers at Jhansi in U.P. The Hindustan Cables has set up a second factory at Hyderabad for manufacturing telephone cables. The Hindustan Organic Chemicals will help in augmenting the supplies of chemicals needed by the dyes industry. The Koyali refinery is expanding with the country's need for petroleum products as is the Copper Smelter Plant of the Hindustan Copper Ltd., the Sindri Fertiliser Plant and numerous irrigation and power projects not to mention the emergence of the Hindustan Petroleum Corporation as a separate company.

The Bureau of Public Enterprises is doing its best to give management a field day. Systems of uniform management information and technical data banks have been evolved. The earlier practice of summoning public sector executives to bureaucratic conferences is on the wane.

In the ultimate analysis there is no substitute for the success of the managerial culture except experience. Experience is the hidden wealth that has been generated by the public sector enterprises in the last so many years of their working. This is the factor that will accelerate the growth of the public sector in the future.

STEEL SUPPLY POSITION IMPROVED

Steel supply position has improved considerably in the last one year. Production from integrated steel plants is higher in the ten months April 1974-January 1975 by 0.357 million tonnes as compared to the same period in the previous year, representing an increase of 10%. With special efforts to activate inventories, supply of steel to the economy from main steel plants in the above ten month period is higher by 0.634 million tonnes, which represents an increase of 18% as compared to the ten month period of the previous year. The production in 1975-76 is expected to increase still further. As a result, the supply position of steel in 1975-76 will be adequate and no shortages are expected. In fact, there will be export of some categories of steel. Imports of steel will be restricted to only those very special categories of which India either does not produce or some categories of which the production may be less than required like boiler quantity plates, ship-building quality plates etc. Overall, the steel supply position in 1975-76 is expected to be fully satisfactory.

The Steel Authority of India Limited have commissioned Metallurgical and Engineering Consultants (India) Limited to prepare Feasibility Reports on two integrated steel plants - one in the Bailadilla region in Madhya Pradesh and the other near Surajgarh in Maharashtra.

These studies undertaken in connection with the long-term steel development programme are likely to be completed within six months. The Feasibility Reports would be for steel capacity of about 2 to 3 million tonnes at each of these sites.

HIGH KV CAPACITOR VOLTAGE TRANSFORMER TESTED

A prototype 400 KV capacitor voltage transformer designed and manufactured by the Bhopal unit of M/s. Bharat Heavy Electricals Limited (BHEL) has passed all the routine and type tests in accordance with International Standards. A 400 KV current transformer has already been designed, manufactured and tested by this unit. Thus, with the completion of 400 KV cut the Bhopal unit has attained self-sufficiency in the field of 400 KV instrument transformers.

The 400 KV capacitor voltage transformer consists of primary and intermediate capacitors and electromagnetic voltage transformer. The capacitors are used as a potential divider and provide a tapping of 12.7 KV when the line voltage is 400 KV. This voltage is further stepped down to 63.5 volts by use of electromagnetic voltage transformer. The secondary voltage of 63.5 volts is used for metering purpose as well as for protection of 400 KV power system.

The VCT is also used for carrier communication, tele-metering etc. It can supply a rated burden of 400 KVA and caters to the requirement of watt meter, energy meter, volt-meter and relays.

TEXTILE MILLS REGISTER INCREASED OUTPUT

The 96 textile mills in production under the management of the National Textile Corporation (11, Tolstoy Marg, New Delhi) have reported an increased output both in saleable yarn and cloth during the first three quarters of 1974. The total combined output from January to September this year was 655.36 million metres of cloth. This output is valued approximately at Rs. 2238.50 million.

During the corresponding period last year, the mills then under production had produced 593.4 million metres of cloth.

The tempo of increased production both in respect of yarn and cloth was maintained by the mills in almost all the three quarters of 1974 compared to the preceding year. In respect of yarn production, the improvement fluctuated between 6 to 34 per cent. The production of cloth was marked by an improvement of 15 to 20 per cent.

On an overall basis, the yarn production improved by about 20.5 per cent and the cloth output by about 10.5 per cent.

The pace of production has been kept up and it is expected that the production for the current calendar year (1975) will appreciably outstrip that of the last year.

The Corporation has embarked upon an ambitious scheme to make available to the consumers a wide range of fabrics from coarse to superfine varieties at reasonable prices. Under the scheme, a show room was opened at Super Bazar in New Delhi on February 4, 1975. Another show room has been opened in the Karol Bagh area of Delhi on 18th February 1975.

The show room will be offering for sale all varieties of textile manufactured by various mills under the Corporation, which are scattered all over the country. These includes Dhotis, Sarees, Shirtings, Dress Materials, Towels, Bed Sheets, Denims, Furnishing Material, Long cloth and controlled cloth etc.

The Corporation plans to open similar show rooms in other populous localities of the capital.

FUTURE OF WOOD BASED PANEL INDUSTRIES

WORLD CONSULTATION CONCLUDES

The Third World Consultation on Wood Based Panels, which concluded its session at New Delhi recently emphasised that future planning of wood based panel industries should take into account the important factor of renewability and investment for further growth of wood resources.

The Consultation further pointed out that there was no fear of shortage of wood raw material as there was enough raw material particularly in developing countries for wood-based panel industries to come up as well as the existing ones to expand. Forest being renewable resource and production from tropical countries still not having reached the optimum level, there was great scope for increasing the resource base through increase in investment.

Though surplus raw material was largely located in the developing countries, the technology of the wood based panel industries was primarily in the developed ones. Wholesale transfer of this technology may not always be possible due to the difference in socio-economic conditions.

It was brought out in the Consultation that some work in the developing countries had already been done to adjust the technology to suit local climate. It was necessary that this aspect should be further developed through mutual consultation between countries in the developing world. Consultants entrusted with pre-feasibility studies and also preparing bankable projects need take note of the fact that recommendations cannot be tailored to the designs of the machine manufacturers which were blue printed principally for the need of the developed countries. Such reorientation for the development of technology suited to developing world would generate a self-reliance in them.

The success achieved by the wood based panel industries in the developed countries owes much to vigorous marketing research. While the market in the developed countries was not that bright, there was great scope of internal trade within the developing countries and the marketing research required strengthening in this region. The present inflation in the developed countries is temporary and the period could be well utilised by the developing countries for planning new industries and increase in production to enter into the market in a big way as soon as the present difficulties are overcome in the developed countries.

So far the wood-based panel industries had not made much contribution to low-cost housing in developing countries and the problem remained a formidable challenge to the imagination and design in genuity of the panels industries.

The Consultation provided a forum for exchange of views among the industrialists, researchers and manufacturers of various countries in the possibilities and problems connected with wood-based panel industry. The fields of collaboration were now open between the developing and developed countries in the technological processing of the wood raw material, development of panel industries and in meeting potentially enormous demand for various wood-based panel products.

About 450 representatives from 50 countries had participated in the Consultation. It was jointly sponsored by F.A.O. and the Government of India. For the first time it was held in a developing country.

ON COTTON TRADE

India's total production of cotton has been estimated at 6.2 million bales of 180 kg each during 1974-75 as against 5.82 million bales in 1973-74. But the estimated mill consumption for the season 1974-75 has been placed at 6.85 million bales. Thus there would be a gap of 500,000 to 600,000 bales in the demand and supply position of cotton during the 1974-75 cotton season. Some imports of medium staple cotton required for export production might be therefore necessary. A contract has been recently signed between the Cotton Corporation of India and the Cotton Export Corporation of Pakistan for import of 200,000 bales of cotton from that country of AC 134 and BSI varieties.

The export of cotton in 1974-75 has been limited to a few non-spinnable varieties like Assam-Commillas, Zoda and yellow pickings and only one spinnable variety, namely, Bengal Deshi subject to an overall ceiling of 150,000 bales. The ceiling of 150,000 bales is not likely to affect the country's net foreign exchange earnings. By making adequate supply of Bengal Deshi cotton available to the industry, the overall production of yarn and cloth and the exportable surplus thereof can be increased. Increased export of yarn and cloth would mean improvement in the country's foreign exchange earnings on account of "higher value added" in manufacture.

The import of foreign cotton into India has been reduced to a large extent over the years. India had been importing in the past long staple cotton from Sudan, Arab Republic of Egypt, East Africa and U.S.A. Due to the progressive increase in indigenous production of the long staple variety, the imports have been reduced considerably.

COFFEE INDUSTRY

A SPOTLIGHT

Flavour of Indian coffee has today reached almost all the corners of the world. The growing consumption of Indian Coffee at home as well as abroad has been one of the reasons for the development of Indian Coffee industry in an organised manner in recent years. In fact, today Indian Coffee industry has assumed significance as one of the sizeable foreign exchange earning sectors of the Indian economy. Among plantation industries, coffee industry is securing growing volume of foreign exchange from year to year. During the first eight months of 1974-75 (April-November 1974) Indian Coffee fetched foreign exchange equivalent to the total exports of the coffee industry during the full year of 1973-74. The fact amply indicates the amount of popularity enjoyed by the Indian Coffee abroad.

India's total coffee output during 1974-75 has been estimated at 90,000 tonnes (revised) as against the estimated production of 86,000 tonnes in 1973-74 and 91,000 tonnes in 1972-73. In fact, during 1970-71 the output had reached an all time high level of 110,231 tonnes. The output reached these levels from only 63,861 tonnes in 1965-66. Two types of coffee are grown in India, namely, Arabica and Robusta. The output of the former variety during 1974-75 is estimated at 53,000 tonnes while that of the latter was assessed at 37,000 tonnes. During 1973-74, the output was of the order of 44,000 tonnes and 42,000 tonnes respectively.

Bulk of the coffee production in India is accounted for by Southern States such as Kerala, Karnataka (Mysore) and Tamil Nadu. At the end of 1972-73, Kerala, for instance, accounted for the maximum number of coffee estates at 21,570 closely followed by

Karnataka at 20,560 estates. In fact, both these States accounted for over 80 per cent of the total estates in the whole country (52,696). Tamil Nadu owned 9360 estates while the rest of Indian States accounted for little over 1200 estates.

Of the total area under coffee during 1972-73 at 146,458 hectares, Arabica variety accounted for 88,141 hectares while that under Robusta variety was 58,317 hectares. In the total area under production during the year, Karnataka had under cultivation about 89,990 hectares, followed by Kerala 31,852 hectares and Tamil Nadu 23,410 hectares. Besides, Andhra, Assam, Orissa, Madhya Pradesh, Maharashtra and Andamans are also other coffee producing States.

The year 1972-73 witnessed yield per hectare reaching 621 kgs. from 500 kgs. in the year that preceded. During 1970-71, it was the highest so far at 817 kg. In 1965-66 it was only 469 kg.

India's coffee industry provides gainful employment to about 236,300 persons. Among the coffee growing states in India, Karnataka employs the largest number of labour estimated at 164,675 numbers, followed by Tamil Nadu at 42,820 number and Kerala 28,590 numbers.

At home level, coffee consumption is growing at a steady rate. During 1973, about 39.40 million kgs. were released in internal market for sale which catered to the needs of nearly 587.50 million population as on 1st March 1973 as against 37.45 million kg. released to take care of demand of 573.45 million people in the year that preceded. During both the years, per capita consumption was of the order of 0.07 kgs. per annum.

Overseas consumption of Indian coffee has been rising year after year. The Industry's exports which were of the order of barely Rs. 72.25 million during 1960-61 doubled to Rs. 144.45 million in 1966-67 to fetch more foreign exchange at Rs. 329.30 million in 1972-73 and to reach the Rs. 460 million mark in the subsequent year. Even during the first eight months of the current year (April-November 1974), the exports brought in foreign exchange at Rs. 455.50 million which are more or less at the level during the full year of 1973-74.

SOME FACTS ABOUT INDIAN CARDAMOM

In the comprehensive range of spices produced in India, cardamom has a unique place because of its ready acceptance in export markets and its capacity to earn growing volume of foreign exchange. Only three States in India grow cardamom and these are in the South India, namely, Kerala, Karnataka (Mysore) and Tamil Nadu. Kerala is the biggest producer of cardamom followed by Karnataka and Tamil Nadu. During 1973-74, India's total production of cardamom was of the order of 2585 tonnes. Of this, Kerala accounted for the bulk at 1870 tonnes alone which comes to about 73 per cent of the total output during the year. The production turnover of Karnataka and Tamil Nadu respectively was of the order of 405 tonnes and 310 tonnes.

During 1973-74, Cardamom exports earned foreign exchange at a value of Rs. 115.50 million as against Rs. 68.50 million in the preceding year. In terms of quantity also the exports registered uptrend during the year under review - 1813 tonnes against 1384 tonnes. The increase in terms of value was of the order of 69 per cent while in terms of quantity it was 31 per cent. The exports in terms of earning shot up to the level indicated above owing to higher unit value realisation.

As in 1972-73, Middle East constituted the most significant buying region during 1973-74 also. During the year, the zone absorbed Indian cardamom to the extent of about 88 per cent of the total Indian overseas supplies. During 1972-73, its share was 77 per cent.

Exports during the first four months of 1974-75 (April-July 1974) totalled to 441 tonnes valued at Rs. 33.5 million as against 461 tonnes worth Rs. 28 million (April-July 1973). However, the exports slightly decreased in terms of quantity (by 4.6 per cent) but increased in terms of earnings (by 19.4 per cent). The increase in the earnings is due to higher unit value realised during the period under reference. The average export price of cardamom during April-July 1974 was Rs. 75.09 per kg. as against Rs. 60.84 per kg. during April-July 1973.

During the year of 1973-74, India's export trade in spices attained a record level of Rs. 348.70 million (61,214 tonnes) as against Rs. 290.50 million (45,289 tonnes) in 1972-73. Thus the export during the year under review registered uptrend both in terms of value and quantity.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

LUMINESCENT GRADE ZINC SULPHIDE

An improved method of making luminescent grade zinc sulphide has been developed by the Central Electrochemical Research Institute (CECRI), Karaikudi. Luminescent grade zinc sulphide is used in the preparation of a wide variety of phosphors like photoluminescent, cathode-luminescent and electroluminescent phosphors. These phosphors in turn are used in electronic devices in television, radar, cathode ray oscilloscope screens, etc. The future demand for such phosphors is likely to increase to 6 tonnes per annum.

The raw materials used for the phosphor are : a suitable zinc compound, a thio compound, an alkali, such as, sodium, potassium or ammonium hydroxide, and glacial acetic acid. All these chemicals can be of even laboratory reagent grade.

FLOCCULANT FOR SUGARCANE JUICE

Know-how for manufacturing a substitute for imported flocculants used for clarification of sugarcane juice in the manufacture of sugar is available with the National Research Development Corporation of India. The use of flocculants in the manufacture of sugar not only quickens the process but also increases the yield

of sugar. Indian sugar industry has been using imported flocculants but on a limited scale because of import restrictions. The requirements of the entire sugar industry in the country, however, is estimated at 3000 tonnes per annum.

The indigenous flocculant, a polymer of acrylamide, developed by the National Chemical Laboratory (NCL), Poona, substitutes Separan AP-30. Acrylamide monomer is prepared from acrylonitrile which is polymerized in the presence of catalyst followed by hydrolysis with alkali. The reacted mass is precipitated in the presence of alcohol and washed and dried. All the raw materials with the exception of acrylonitrile are indigenously available. Even acrylonitrile is expected to be produced in the country in the next few years. The price of the imported flocculant is around Rs. 70 per kg; the indigenous substitute is expected to be marketed at a cheaper rate. The estimated investment for a plant with an annual production capacity of 50 tonnes is estimated at Rs. 1.7 million. Further details of the process can be obtained from : the Managing Director, National Research Development Corporation of India, 61-Ring Road, Lajpat Nagar-III, New Delhi-110024.

INDIAN ECONOMY-1975-76

The year 1974-75 was a year of unprecedented economic stress and strain in the history of independent India. The year also saw a determined action on the part of the Government to grapple with crisis situation. The first half of the year witnessed sharpest rate of increase in prices in the post-war years. Unsatisfactory production and procurement of food-grains during 1972-73 and 1974 Rabi season, four-fold rise in prices of petroleum products and fertilizers contributed to a very large extent to the inflation. The overall international inflation led to a sharp increase in prices of a large number of imported products of basic importance to the economy and worsened the already strong inflationary impulses. During 1973-74, the wholesale prices went up by 22.6 per cent over the previous year and during 1974-75 this increase was 27.2 per cent, whereas during 1969-72 the rise was only about 4 per

cent per annum. Faced with the gravity of the economy crisis, the Government took vigorous measures designed to discourage the abnormal rise in prices and large accumulation of stocks. At the same time, strenuous efforts were made to maintain the tempo of investment activity in the vital core sectors of the economy. Measures for additional source mobilisation were supplemented by more direct attempts at regulation of disposable consumer incomes. Thus, a part of additional DAs and increases rising from revision of wages and salaries, imposition of restriction on declaration of dividends, limits and compulsory savings for tax payers in higher income groups were some of the steps taken in this direction. Bank rates were increased and greater discipline was enforced in expansion of bank credit to the commercial sector. As a part of anti-inflationary measures, the Government also intensified operations against smugglers, hoarders and blackmarketeers, immobilising a large part of black money being used in hoarding. At the same time, arrangements were made to import about 5 million tonnes of foodgrains in order to stabilise foodgrain prices. The fall in prices in the last quarter of 1974 and the first two months of 1975 suggests a weakening of inflationary forces.

The National Income in 1973-74 grew at 3.1 per cent whereas the overall rate of growth of the economy during the Fourth Plan averaged about 3 per cent per annum. According to the information of the Reserve Bank of India, the estimates of gross capital formation of the corporate sector increased by nearly 9 per cent in 1973-74, compared to an increase of 13.5 per cent in the preceding year. While domestic saving was about 10 per cent of the national income, investment was estimated around 11 per cent of the national income.

The index of agricultural production reached a record level of 131.6 in 1973-74, slightly higher than the previous peak level of 131.4 reached in 1970-71. Considering that the population of the country has increased by nearly 7 per cent during the period, the situation would not be considered very satisfactory. To a large extent, adverse weather conditions have been responsible for this state of affairs. Rice production in 1974 is estimated to have declined by nearly 1.7 million tonnes from the level of 40.7 million tonnes

reached in 1973. Wheat production has been more or less maintained. Among commercial crops, output of cotton in 1973-74 was 5.8 million bales and is likely to be about 6 million bales in 1974-75. Output of sugarcane in 1974-75 may be about the same as in 1973-74. As a whole, the index of agricultural production in 1974-75 is unlikely to record any significant increase. The output of foodgrains may be about the same at the level of 103.6 million tonnes reached in 1973-74.

Industrial output in the first seven months of 1974 increased by 2.3 per cent and according to the present indications, it may be about 2.5 per cent in 1974 as a whole compared to 0.7 per cent in 1973. In the earlier part of the year, factors, such as, shortages of power, fuel and transport facilities hampered industrial production. More recently, there has been a notable improvement in the generation of power and in the production and transport of coal. However, in view of the uncertain conditions in industrial countries, demand for India's exports may be affected adversely.

It is a matter of considerable satisfaction that many public sector undertakings continue to record higher levels of production. According to the information so far available, industries, such as, electricity generation, steel and coal, recorded a significant increase in output during April-December 1974. The output of electricity went up by 6 per cent, of saleable steel by 10.4 per cent and of coal by 8.5 per cent. The production of nitrogenous fertilisers was up by 8 per cent although that of phosphatic fertilizers went down by 7.1 per cent. Some industries like cement, aluminium and automobiles recorded a fall in output.

The wholesale price index which reached its highest peak in the week ending September 21, 1974 was 32 per cent higher than during the corresponding week of 1973. In the following three months, the prices declined by about 5 per cent. The index at the end of December 1974 was, therefore, 18.8 per cent higher than at the end of December 1973. Nearly one half of the rise in the wholesale price index both in 1973 and 1974 was due to a steep increase in the prices of foodgrains. The improved prospects in the forthcoming Rabi crop, sizeable imports of foodgrains and a revision in the rate of growth of money supply are expected to have stabilising effect on prices.

Exports during 1973-74 increased by about 26 per cent as compared to 1972-73. On the other hand, the value of imports has registered still sharper increase of nearly 56 per cent. As a result, the balance of trade showed a deficit of Rs. 4377 million in 1973-74 as compared to a surplus of Rs. 1003 million in 1972-73. During the first 8 months of 1974-75, the trend towards a faster expansion of imports than that of exports has continued. While exports moved up by 36 per cent, the rise in the value of imports was of the order of 54 per cent resulting in an adverse trade balance of Rs. 4250 million. The rising increase in value of exports is, to some extent, connected with world inflation and international commodity boom. In volume terms, India's exports in 1973-74 grew only by 3.6 per cent. A decline in international commodity prices may give a setback to India's export earnings unless the country revitalise its promotional efforts.

Turning towards 1975-76 it would be difficult to forecast the rate of growth in the coming year in view of domestic constraints as well as the increased uncertainty of international trade. Information available so far seems to encourage optimism that there would be an improvement in the overall performance of the economy in the coming year although no spectacular changes can be expected in the short run. In the agricultural field, shortage of fertilisers and a steep increase in their prices indicate that agricultural production in the coming year would be of the same

order as in 1974-75. In the industrial sector, upward trend in coal and steel production and improvement in transport point towards a sizeable increase in industrial activity but the international trade uncertainty may affect exports and production in some sectors. Still, the growth in industrial sector on the whole is expected to be more satisfactory in the coming year than in 1974-75. The talk of recession heard recently in some sectors does not seem to be more than an insistence of some segments of industry to maintain inordinately high prices in face of consumer resistance.

During the Fourth Five Year Plan the target for growth of exports was kept at 7.5 per cent. Due to 26 per cent increase recorded in 1973-74, the average rate of growth in the value of exports during the entire Fourth Plan period was 12.8 per cent. The steep increase in prices of petroleum since January 1974 has made a great change in the structure of international trade. To offset the effects, India has to think of a minimum of 10 per cent annual growth in the volume of exports in the coming year. This task is not so difficult as it seems. In the last fifteen years India's economic structure has been greatly diversified. As such India has now the capacity to achieve a major breakthrough in exports. Although the general world conditions are not very favourable for growth of international trade, it is hoped that India would be in a position to raise export earnings by a substantial amount. □

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SIZEABLE OVERSEAS DEMAND FOR BALL BEARINGS

Indian ball and roller bearing industry has come to occupy a significant place in the engineering sector of the Indian economy. An importer of even simple ball bearing items a few decades ago, India has today emerged as a competent manufacturer of a variety of ball bearings. Excepting for a few specialised types, the industry today has a manufacturing range which covers almost all types of ball bearings which cater to sizeable demand of domestic market as also of the markets overseas.

India's export trade in ball and needle roller bearings during 1973-74 amounted to Rs. 3.55 million as against Rs. 2.15 million in the preceding year. During the year, adapter balls bearings, tapered roller bearings of different types, forged steel ball and ball and roller bearing parts were supplied to a number of markets abroad. The United Kingdom, Korea Republic, Yugoslavia, Thailand, and Korea Democratic Republic were the prominent importing destinations. During 1972-73, these were mainly

imported by Korea Republic, Yugoslavia, U.K. ; Sri Lanka and France.

M/s. Associated Bearing Company, manufacturer of ball bearings and other engineering products like textile machinery items achieved improved export turnover during 1974. It was able to step up its exports from Rs. 1.90 million in 1973 to Rs. 4.65 million in the year under review. The Company's products-ball bearings and other engineering products; are being sought after in growing volume in export markets.

The company proposes to import plant, machinery and instruments with a view to implement its expansion scheme. Besides, it is also contemplating to renew agreement with its foreign collaborators, which was entered into by it for the manufacture of bearings. It has recently received a licence to manufacture additional quantities of ball bearings and two new items of textile machinery.

During 1973, there were seven units engaged in the manufacture of ball and roller bearings. Their installed capacity in respect of valves and roller bearings during the year was of the order of Rs. 22.60 million while the

actual production during the year was 28 million numbers in terms of quantity.

The output range of bearings in India includes ball bearings, cylindrical roller bearings and tapered roller bearings. In view of the consistent uptrend in domestic market for the bearings, the capacity utilisation has been far more than the installed capacity. Notwithstanding increased production in recent years, the country has to import quite a few varieties of sophisticated ball and roller bearings. The country's import bill on this account is of the order of Rs. 110 million a year.

The Indian Standards Institution (ISI) has over the years fixed Indian Standards specifications for over twenty varieties of ball and roller bearings keeping in view the International standards.

INDIAN CABLES AND WIRES IN KEEN DEMAND ABROAD.

From a meagre amount of Rs. 0.4 million in 1964-65, M/s. Indian Cables Corporation (INCAB), 9 Hare Street, Calcutta, one of the units engaged in the manufacture of a variety of cables and wires stepped up their exports to Rs. 25 million mark during the year 1974-75. The firm, in fact, registered significant rise in exports to this level from Rs. 17.80 million during 1973-74 and Rs. 16.60 million in the year that preceded. As many as 30 overseas markets are included in INCAB's list of overseas customers. Amongst these are included the USSR, Australia, Netherlands and countries in the Middle East, Far East, Latin America and Europe. During the preceding year, INCAB introduced its products for the first time in Hong Kong and Polish market, while in 1974-75, Kuwait, Hong Kong, Sarawak and USSR were the principal export destinations.

The range of manufacture of INCAB includes the major types of cables, such as, PVC power cables for transmission and distribution and heat resisting power cables. Initially INCAB's exports were confined to copper conductor cables only. However, in recent years, the firm diversified its production range to include

aluminium conductor cables, thus releasing copper, the valuable scarce metal, for the manufacture of other essential items where it is needed most.

The Company has bagged many export awards from the Ministry of Commerce, the Engineering Export Promotion Council and the Cable and Conductors Manufacturers Association. The firm's cables and wires conform to International Standards and contain high degree of indigenous raw material.

One of the priority industries of the Indian economy, the Wire and Cables industry in India is earning growing volume of foreign exchange from year to year. In 1973-74, the industry's export trade was of the order of Rs. 110 million while during the first eight months

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DEVELOPMENT OF LEATHER INDUSTRY—ROLE OF CLRI

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of 1974-75 (April-November 1974), the exports brought in Rs. 88.30 million (estimated) as compared to Rs. 64.80 million in the corresponding period of the preceding year. In the export range of wires and cables, insulated cables and wires and power aluminium conductors are the most sought after varieties abroad. USSR is the biggest market for Indian wires and cables. Besides, Sri Lanka, Qatar, Federal Republic of Germany, Arab Republic of Egypt, Sudan, Tanzania, Kuwait, Australia and Singapore are the major buying countries.

TEXTILE MACHINERY ACTIVE IN EXPORTS

Textile machinery technology in India has come of age. Indian economy, a few decades ago, was fully dependent on imports of even most simple textile machinery items. Today, its requirements of even sophisticated items in the field are met indigenously. The textile machinery sector, besides catering to the home demand, has been able to earn growing volume of foreign exchange in recent years. In fact, this sector, has been responsible for contributing fairly to India's engineering goods exports. During 1973-74, India-manufactured textile machinery and parts earned foreign exchange at a value of Rs. 47 million as compared to a little over Rs. 43 million in the preceding year.

During the year, a variety of textile machinery items were supplied to overseas markets. In the export range, items like spinning ring frames, processing machines (other than for synthetic fibres), knitting machines, textile driving machines and a host of accessories figured prominently. These textile machinery items were mainly supplied to a number of countries among which Czechoslovakia, German Democratic Republic, Hong Kong, Korea Republic, China Republic, Bangladesh, Uganda, Libya, and Tanzania are significant in the order of their intake.

M/s. Precise Textile Machinery Industries, 9, Shri Vallabh Industrial Estate, near Ajit Mills, Rakhial Road,

Ahmedabad (Gujarat State), have recently secured an export order worth nearly Rs. 2 million. So far, the company has exported textile machinery to a number of developed countries like the United Kingdom, Switzerland and Federal Republic of Germany in addition to developing Countries.

The Ahmedabad firm's range of production of textile machinery includes mainly cast iron bare flats for carding engines, cast iron bolsters for spindles, roller bearings (plug type and ordinary) and tyre spindles for spinning ring frames.

Textile machinery sector in India has an infrastructure to manufacture a complete range of spinning, weaving and processing machinery capable of catering to the requirements of even sophisticated buyers abroad. The annual installed capacity in the sector is estimated at Rs. 500 million (excluding for spares and accessories). An additional capacity to the tune of Rs. 321 million is being created. Letters of intent to this effect have been issued to a number of units. During 1973 (upto November), total production was estimated at Rs. 318 million, while during the full year of 1972 it was of the order of Rs. 302 million. Notwithstanding the progress in domestic production, the industry annually imports a few specialised items of textile machinery. However, the increased output turnover in the recent years has helped reduce imports in the field considerably. At present, the quantum of imported raw material is limited to only 5 per cent of the total requirements.

India's exports of engineering goods during the first seven months of 1974-75 (April-October 1974) have been placed provisionally at Rs. 1160 million which are substantially higher than the exports during the corresponding period of 1973-74 at only Rs. 551 million.

Total production of engineering goods was estimated at Rs. 35,000 million during 1973 as compared to Rs. 32,000 million in 1972, Rs. 28,000 million in 1971, Rs. 25,000 million in 1970, Rs. 22,000 million in 1967, Rs. 20,580 million in 1966, Rs. 8250 million in 1960,

Rs. 1000 million in 1955 and only Rs. 550 million in 1950.

INDIAN WOOLLEN KNITWEAR POPULAR OVERSEAS

In tune with the growing popularity of woollen knitwear in overseas markets, M/s Oswal Woollen Mills Ltd. (G.T. Road), Miller Ganj, Ludhiana, succeeded in exporting pure wool knitwear to secure as much as Rs. 42.28 million in foreign exchange in 1973-74. Of this, purchases worth about Rs. 41.75 were made by U. S. S. R. alone. Czechoslovakia and Japan were the other two customers for the firm's products. For the current year, the firm has fixed the export target at Rs. 100 million.

M/s York Hosiery Mills Private Ltd. (Civil Lines, Ludhiana) and M/s Hind Woollen and Hosiery Mills (P) Ltd. (866, Industrial Area 'A', Ludhiana) were the other two firms which made notable contribution to the export endeavour in the line during 1973-74. The export earning of the former amounted to Rs. 22.87 million while the latter secured Rs. 19.65 million in foreign exchange. The export supplies by both the firms were directed to U.S.S.R. and Czechoslovakia.

M/s. Nagesh Hosiery Mills and M/s Greatway Private Ltd., also from Ludhiana, were yet two firms who earned appreciably, in foreign exchange during the year. Their exports totalled about Rs. 11.80 million and Rs. 10.90 million respectively.

From Rs. 146 million in 1964-65, exports of wool and woollens rose to Rs. 520 million in 1973-74. The contribution to this export growth has been made to a large extent by hosiery and knitwear items. With a view to promote exports in the line, the Government of India have decided to permit implementation of the schemes of expansion and modernisation of such units in the line as export more than 10 per cent of their production.

EXPORT PERFORMANCE AND POTENTIAL

MORE FOREIGN EXCHANGE FROM PILLOW CASES

Pillow cases have come to contribute a sizeable amount to India's total exports of textiles and textile goods every year. During 1973-74, overseas supplies of pillow cases earned foreign exchange as much as Rs. 49.15 million as against Rs. 24.80 million in 1972-73, Rs. 18 million in 1971-72 and Rs. 12.20 million in 1970-71.

Of the three varieties of pillow cases—millmade, handloom and power-loom—exported during 1973-74, millmade pillow cases contributed the bulk valued at as much as Rs. 47.15 million. In 1972-73, its exports were of the order of only Rs. 24.20 million, Rs. 16.47 million during 1971-72 and Rs. 11.72 million during 1970-71.

About 50 countries imported mill-made pillow-cases during 1973-74. Federal Republic of Germany was the topmost importer during the year having absorbed worth Rs. 13.80 million. U.S.A., the second significant buyer, purchased worth Rs. 9.32 million, closely followed by the United Kingdom at Rs. 9.15 million. Among other buyers, Netherlands imported at a value of Rs. 2.61 million, Sweden Rs. 2.25 million, Kenya Rs. 1.28 million, Denmark Rs. 1.33 million, France Rs. 1.27 million, Finland Rs. 1.16 million and Austria Rs. 0.87 million.

Handloom pillow cases were exported at Rs. 1.60 million. U.S.A. and U.K. were the major markets. Powerloom pillowcases which earned Rs. 0.40 million were mainly bought by U.K., Kuwait and Finland.

INDO-SRI LANKA AGREEMENT ON SCIENCE AND TECHNOLOGY

An Agreement on Cooperation in the fields of Science and Technology between India and Sri Lanka was signed recently at New Delhi. The Agreement provides for exchange of scientific and technical delegations,

scientists, research workers, specialists and lecturers, exchange of technical documentation and information and arrangement of scientific and technical seminars on problems of common interest. It also includes joint identification of scientific and technical problems and examination and approval of joint research programmes leading to application in industrial and agricultural production, public health, housing, transportation and communication. Joint introduction of various technological processes in industry, agriculture and other fields is also provided for in the Agreement.

The cooperation between the two countries will be realised under this Agreement on the basis of the implementation programmes which will specify the range, subject and forms of cooperation including financial terms and conditions.

Some of the areas to be considered for cooperation under this Agreement include Coconut and Tea Research, Rubber and Polymers, Natural Products, Essential Oils, Pulping of Indigenous woods for paper and other uses. Cooperation in the fields of Bleaching Techniques, Purification and Upgrading of Graphite, Mica, Ilmenite, Kaolin, Rice Bran Oil Technology and Natural Vegetable Fibres will also be considered.

HANDTOOLS AND MACHINE TOOLS EXPORT IMPROVES

India's total export trade in tools for use in hand or machines recorded a sizeable increase during, 1973-74 over the exports in the preceding year. From Rs.74.50 million in 1972-73, the exports rose to Rs.102.50 million in the following year. The exports reached the level from only Rs. 20.30 million in 1969-70.

Tools for use in hand or machines secured as much as Rs. 102.16 million while the share of hand tools used in agriculture and forestry amounted to only Rs. 0.33 million. A variety of tools were supplied abroad in the former category during 1973-74. For instance, spanners alone brought in Rs. 29.50 million, wrenches Rs. 16.15 million, files and rasps Rs. 11.32 million, pliers and others Rs. 3.15 million, pincers Rs. 3.32 million,

hand saw and blades Rs. 2.37 million, rock drilling or coredrilling bits Rs. 2.30 million, tungsten carbide tips Rs. 2.25 million, taps Rs. 1.35 million, blow lamps Rs. 1.33 million and interchangeable tools for metal working Rs. 1.97 million. Besides these, grease guns, garage tool sets, grinding wheels, metal working hand tools, machine operated and hand operated hacksaw blades, wood working hand saws of all types, metal working handsaws, interchangeable tools for wood working as also for handtools, dies, tools and tool bits, milling cutters, press tools, tungsten carbide tipped tools, cutting blades for metal working machine tools, and other tool tips and handtools also contributed to the export growth.

During the year, Poland, U.K. Czechoslovakia, U.S.S.R., Thailand, Federal Republic of Germany, France, Greece and Netherlands were the principal markets for spanners. Wrenches mainly found their way to USA and Canada while files and rasps were imported by Federal Republic of Germany, U.S.A. and Nigeria. Pliers were bought by about 3 dozen markets of which Netherlands, Federal Republic of Germany, Iran and Malaysia were prominent. Rock drilling or coredrilling bits were purchased by Czechoslovakia, Thailand, Rumania and Greece while tungsten carbide tips were absorbed mainly by Sweden, Japan and Thailand.

In the export range of handtools used in agriculture and forestry, spades and shovels were supplied to about two and half a dozen countries.

ON KANDLA FREE TRADE ZONE

Kandla Free Trade Zone (KAFTZ) is the first free trade zone in India organised by the Government of India. It is an ideal place for industrialists who are already in the export field or who are contemplating to enter the export trade. The Zone offers a unique combination of facilities and concessions which are tailor-made for success in export business.

A series of measures have recently been taken by the Government of India and the State Government of Gujarat to offer an attractive package of concessions

and facilities to all industrialists who are connected with the export trade.

The Zone is a well developed industrial estate which can accommodate upto 400 industrial units in an area of about 284 hectares of practically level land, situated at 9.6 Kms. away from the port of Kandla, which is one of the modern major ports in the Western Coast of India in the gulf of Kutch. With the Suez Canal being opened and the proximity of the rich Middle-East market, Kandla offers an ideal location for export oriented units.

The Zone offers a number of facilities and concessions to all units which are set up there. The main condition is that the units should export 100% of their products. However, if a product, the import of which is permissible according to the Import Policy in force is manufactured in the Kandla Free Trade Zone, such manufactured goods will be permitted to be sold in India against a valid General Currency Area import licence. Standard procedures have also been evolved to dispose of sub-standard goods as well as scrap and waste generated in the process of manufacture so that the units do not suffer economically due to difficulty in the disposal of scrap/waste, sub-standard goods etc. So far as sub-standard products are concerned, the percentage of such products for each item is determined by the Development Commissioner in consultation with the technical authorities and these goods can be cleared for disposal in the home market on payment of appropriate duty in such quantity and limitations and conditions as may be specified by the Development Commissioner. Further, the excise duty at the appropriate rate has also to be paid on the indigenous goods contained in such sub-standard goods. So far as scrap is concerned, it has been accepted in principle that the duty should be levied on the scrap/waste as if they are imported into India in that form.

The Zone offers a number of Concessions to the participating units. The first concession is that the entrepreneur is free to import capital goods and raw materials free of customs duty. The second major facility available to the entrepreneur is the wide range of choice he has in the import of capital goods and raw materials. So far as these

goods are concerned, the units in the Zone are freely allowed to import any item except certain specified items, such as, gold and silver bullion, diamonds, cigarette lighters etc.

It is not enough if a business-man is assured of duty free import of capital goods and raw materials. It is essential that he gets the type of goods he requires in time and is also assured of continued supply. Here it is worthwhile recalling that the Free Trade Zone offers a unique facility of quick clearances at various stages. So far as capital goods are concerned, for example, there is no advertising procedure as required in the domestic tariff area for goods worth more than Rs. 750,000. Further indigenous angle also will not be insisted upon provided the Indian machinery is not found suitable from the point of view of quality, availability, price and delivery schedule. Similarly, so far as raw materials are concerned, the production programme of the entrepreneur is approved and the quantity of raw materials required for the 12 months production is recommended. Six months' requirement is released against advance import licence. Further the other six months' requirement will be released depending on the performance of the party. This is in addition to the replenishment the entrepreneur will earn. Thus, the units in the Zone are assured with continued supply of raw material for running their export business.

Another significant aspect of the facility available to the export oriented units in the Zone is import of raw materials and capital goods from their preferred sources by the entrepreneurs.

From the free foreign exchange allocation for the Kandla Free Trade Zone for capital goods and raw materials, the needs of the Zone units are met.

It is a very important factor in the export business to meet the export commitments in time to build a reputation in the market for quality and prompt delivery and also in discharging export obligations etc. The Zone assists the industrialists in these aspects, with a streamlined and red-tape-free administration. The Zone administration is under the direct supervision of the Development Commissioner, who has been delegated the powers of the Collector of Central Excise and Customs to help the Zone units in their day-to-day

operations. An office of the Controller of Imports and Exports is also located in the administrative office building of the Zone. As a result replenishment licences could be issued within 48 hours. In the case of the replenishment licence, it may be recalled that though the replenishment licences, are issued based on the percentages fixed in the import policy depending upon the merits of each case, and on sufficient justification, the Zone is empowered to consider and allow higher replenishment rates than what is given in the Import Policy so as to enable the exporters to compete effectively in the export market.

The Zone Board is a high powered body which acts as a single focal point for clearances required by the zone industrialists in their export business such as applications for setting up industries in the Zone, grant of industrial licences where required, applications for import of capital goods, applications for foreign collaboration and import of raw material. The Board is headed by the Additional Secretary, Ministry of Commerce and representatives from all concerned agencies like the Ministry of Industrial Development, Director General of Technical Development, Economic Affairs, Central Board of Excise and Customs, the Kandla Port Trust, the State Government of Gujarat etc.

Apart from the Board, there is a KAFTZ authority presided over by the Deputy Minister of Commerce to review the overall policy matters relating to the Zone from time to time. This ensures that matters relating to the Zone gets attention from the topmost level from the Government.

Apart from the concessions relating to duty-free import of capital goods and raw material, wide range of choice to import, the facility of free foreign exchange and assured supply of imported raw materials, the following additional incentives and concessions are available :—

Capital goods, raw materials components, tools, packaging materials and spare parts supplied to the Zone from domestic tariff area will be eligible for import replenishment licences in accordance with the provisions of the import policy for Registered Exporters. The consequence of this concession is that the units in the

Zone can get even the domestic raw materials and capital goods at international prices.

Capital goods, raw material, machinery, components, packaging materials etc. brought into the Zone are exempted from levy of tax under the Gujarat Sales Tax Act.

A Transport subsidy equivalent to 1 per cent of F.O.B. value of exports is also given to all exports made from the Zone.

The policy regarding foreign investment has also been made attractive. The Zone is free from the restrictions on investments in partnerships and proprietorships etc. applicable elsewhere in the country. There will be no bar in setting up an industry on the ground that foreign technical know how and capital are not essential for the purpose.

Capital investment in the Government approved project, as in the case of units in the Zone may be repatriated at any time to the extent of original investment.

There are no restrictions on remittance of profits or dividends earned by foreign investors from their investments in India, after deduction of tax due.

Plant and machinery needed for setting up converting or manufacturing facilities for exports will be permitted freely.

If the type of industry is such that India is a net importer of the manufactured products, the parties may be permitted to sell such goods in India against valid general currency area import licence.

The Zone is well connected by rail with major industrial area of the country like Ahmedabad-375 Kms., Bombay—520 Kms and Delhi, 1,100 Kms. The Zone has a railway siding also. Kandla Port is only 9.6 Kms. away from the Zone which is one of the modern major ports of India. National Highway No. 8-A passes through the Zone, thus provides excellent road commu-

nication also. The nearest air port is at Kandla which is 14 Kms away.

For setting up a unit in the Zone one of the essential requirements is cheap and adequate land. As mentioned earlier, the Zone covers an area of 284 hectares of practically level land. Out of these 180, hectares have been fully developed with power and water connections to house 200 industrial units.

In short, the Zone represents an ideal programme which has been designed keeping the export oriented enterprises in view. An attractive package of concessions and facilities are offered and this is buttressed by supply of adequate infrastructural facilities to cover all essential requirements for running a business. The Zone administration is keen, vigorous and positive in its approach and the crisp package programme has been successful in creating a changed atmosphere of robust optimism in the Zone.

The export performance of the Zone has been also significantly improved. The exports during the first ten months of 1974-75 were Rs. 15.55 million as against Rs. 12.93 million in the corresponding period of the previous year. In 1974, the Zone exported Rs. 21.75 million worth of goods and in 1973 it exported Rs. 14.92 million worth of goods.

TRADE BETWEEN INDIA AND INDONESIA

Trade between India and Indonesia has been expanding fast in the last three years. Exports of Indian products to Indonesia which stood at Rs. 32 million in 1971-72 went up to Rs. 53 million in 1972-73 and further shot up to Rs. 267.5 million in 1973-74. A commoditywise analysis shows that 55 per cent of the exports in 1973-74 (Rs. 149 million) were accounted for by sugar alone. The item was not exported in the earlier two years. Exports of transport equipment in the year under review were Rs. 26 million against Rs. 20 million in the preceding year. Synthetic fabrics earned Rs. 13 million in 1973-74, more than three times the level of Rs. 4 million in 1972-73. Cotton

manufactures also were better at Rs. 8.6 million in 1973-74 against Rs. 1.1 million only in the earlier year. Paper and paper board earned Rs. 6.1 million in this year, about five times the earnings in 1972-73. Exports of machinery in 1973-74 were valued at Rs. 5 million against Rs. 2.9 million in the preceding year. Cinematographic films earned Rs. 5.7 million in this year, more than three times the amount earned in 1972-73. Dyeing and tanning substances fetched Rs. 5 million in 1973-74 against Rs. 0.9 million only in the earlier year. Exports of other items namely, chemicals, metal manufactures and glassware also improved during the year under review. However, in case of jute manufactures and iron and steel, there was a fall in exports in 1973-74 as compared to 1972-73.

Indian imports from Indonesia amounted to Rs. 1.7 million in 1971-72, Rs. 2.7 million in 1972-73 and Rs. 4.1 million in 1973-74. The imports are mostly essential oils like peppermint oil, and clove oil.

SHARP INCREASE IN WAGON EXPORTS.

India-manufactured railway equipment is poised to earn a sizeable foreign exchange during 1974-75. The exports during the first eleven months of the year (April 74-February 75) are estimated to have brought in about Rs. 82 million as compared to the total exports during the complete year of 1973-74 at about Rs. 47 million and Rs. 33.60 million during the year that preceded.

During April 74-February 75, Bangladesh which imported coaches valued at Rs. 42 million constituted the largest buyer, followed by Yugoslavia which imported 257 wagons at a cost of Rs. 34.30 million. Apart from these two significant importers, East Africa bought 36 wagons at Rs. 4.82 million and Thailand purchased 400 draft gears at Rs. 241,000. Besides, spare parts were supplied to a number of countries at nearly Rs. 400,000.

In the total export realisation during the year 1973-74, (Rs. 47 million), Iran with its purchases of

304 wagons valued at Rs. 25.90 million was the leading buyer. Poland the next best destination imported 360 wagons at a value of Rs. 18.92 million. Zambian purchases during the year were of the order of Rs. 1.46 million (6 coaches). Besides, parts and accessories like bridge girders, bogie spares, tamping machines, shock absorbers and ticket banks were supplied to Thailand, Australia, Malaysia and Zambia.

During 1972-73, Hungary (345 wagons), Poland (136 wagons), East Africa (51 petrol tank wagons), Iran (2 wagons) and Zambia (one ticket printing machine) were the principal importers.

M/s. Projects and Equipment Corporation of India (PEC), a public sector undertaking is engaged in booking orders for railway equipment and accessories.

INDO-MALAYSIAN TRADE TRENDS.

Malaysia is a major trade partner of India. Exports of Indian products to Malaysia during 1971-72 were valued at Rs. 117.3 million, fell down to Rs 93.4 million in the following year and went up to Rs 240.8 million in 1973-74. India's imports from Malaysia during these three years were Rs. 38.5 million, Rs 84.2 million and Rs 320.9 million respectively. Taken as a whole, the trade was more or less balanced.

The important items of exports from India are cotton manufactures, machinery, onions, metal manufactures and transport equipment. Exports of cotton manufactures during 1973-74 were valued at Rs 43.7 million against Rs 12.0 million only in the preceding year. Machinery other than electric fetched Rs 44.8 million in 1973-74 as compared to Rs. 17.4 million in 1972-73. Exports of electric machinery in 1973-74 were, however, marginally low at Rs 15.6 million against Rs 16.2 million in the earlier year. Onion exports earned Rs. 26.4 million in 1973-74 almost three times the level in the preceding year. Transport equipment brought in Rs 9.6 million in 1973-74, again three times the level in 1972-73. There was a similar rise in exports of metal manufactures, the figures being Rs. 14.1 million and Rs 4.7 million in 1973-74 and 1972-73 respectively. The other items exported from India to Malaysia with figures of exports in 1973-74 and

1972-73 were iron and steel (Rs. 4.4 million and Rs. 3.2 million), paper and paper board (Rs 3.2 million and Rs. 1.3 million), textile fabrics other than cotton and jute (Rs 3.4 million and Rs 1.6 million) ; castor oil (Rs 4.4 million and Rs 0.2 million) and pearls and precious stones (Rs 3.3 million and Rs 3.4 million).

India's imports from Malaysia are mainly palm oil and tin. Imports of palm oil and tin in 1973-74 were valued at Rs 124.1 million and Rs 192.3 million respectively against Rs 67.7 million and 3.1 million Rs. in the preceding year.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

UNION BUDGET FOR 1975-76

India's national budget for the year 1975-76 is to cross Rs 100 billion mark for the first time. The total receipts estimated for the year are Rs 103,040 million and expenditure Rs 107,680 million. The budget for 1974-75 was of the order of only Rs 88.65 billion. The central budget was less than Rs 10 billion in the mid-fifties.

Presenting his first budget to the Indian parliament, the Finance Minister, Mr. C. Subramaniam, revealed that the year (1974-75) would end with a deficit of Rs. 6250 million. Since nearly Rs. 3300 million is on account of payment of imported food and fertilizers, which could soon be recovered, the deficit to the extent of Rs. 3300 million would be non-inflationary in character.

The Finance Minister informed the House that there would be a resource gap of Rs. 4640 million during the next financial year (1975-76). This would be on the basis of allocations of Rs. 36,120 million in the central budget for the next year for the Central, State and Union Territory Plans. This includes budgetary support for central plan amounting to Rs. 25,580 million and Central assistance for States and Union Territories Plans totalling Rs. 10540 million. With extra budgetary resources of Rs. 5960 million, the total central plan outlay for 1975-

76 would be Rs. 31540 million, The States and Union Territories Plans will be of the order of Rs. 28060 million.

Thus the total plan size for 1975-76 would be Rs. 59600 million which in financial terms represents an increase of 23 per cent over the 1974-75 plan of Rs. 48440 million.

Mr. Subramaniam characterised as "an important feature" of his budget the clear-cut identification of twin priorities—food and energy with the supporting facilities—and the earmarking of adequate funds for the development of these two sectors. The investment in agriculture accordingly is being raised from Rs. 1930 million in the Revised Estimates to Rs. 27000 million. Similarly, there will be an increase of Rs. 840 million in the investment in fertiliser production over the current year's level of Rs. 1920 million. The budget support for the power sector including Rural Electrification Corporation will be Rs. 1400 million. The provision for coal represents a substantial increase from Rs. 1410 million in this year's Revised Budget to Rs. 2290 million.

The budget provision for petroleum and petrochemicals has almost been trebled to Rs. 1700 million in 1975-76 as against Rs. 600 million in 1974-75, Revised Estimates. A sum of Rs. 610 million which has been raised from the cess levied in the current year will be used for oil development through the oil Industry Development Board.

For improving the capital market, the Finance Minister disclosed, that he intended to introduce shortly an amendment to the Restriction of Dividends Act which would provide that while dividends in excess of the various limitations laid down in the Act may not be paid, higher dividends can be declared, the deferred dividend being payable in two annual instalments, but without interest, when the present Act expires. This measure, he said, would improve the climate for investment, particularly, in respect of new issues. He also stated that on receipt of the report of the high-level committee set up to go into the escalations in capital costs, the government would examine the need for suitable fiscal concessions and new pricing policies as a means of stimulating fresh investment.

The Finance Minister reaffirmed that Government was firmly committed to root out smuggling, hoarding, blackmarketing and tax evasion. He declared that a separate law for dealing more severely with various economic offences seemed to be a necessity.

Explaining his "basic philosophy" for "stabilising" and on that basis "imparting greater viability and vitality to our economy", Shri Subramaniam said that Indian ability to meet the minimum basic needs of her people depends crucially on the trend in agriculture production. He, therefore regarded the claims of agricultural growth as the first charge on the country's developmental resources. Alongwith it those sectors of industry which provide vital inputs for agriculture will also receive highest priority. The steps which the Finance Minister outlined to impart a new momentum to agricultural sector include : supply of good quality seeds, pushing through fertiliser production programme, optimum utilisation of surface and ground water, and Farmers' Service Society to provide credit to the farmers in time.

The Finance Minister regarded the energy sector next only in importance to agriculture. He said that the nationalisation of coal is beginning to yield results and expected that the current year's production will go up by about 10 million tonnes to a record level of 80 million tonnes. During the next year, the production was to hit the 98 million tonnes target when the country might be able to export some quantity for earning much needed foreign exchange.

On the oil front, he noted an increase of about 12 per cent within a period of one year, between 1974-75 and 1975-76, from 7.5 million tonnes to 8.4 million tonnes. He expected that the production from Bombay High for the second half of 1976 will be about one million tonnes per year reaching a level of 10 million tonnes by 1980.

Mr. Subramaniam said the he was optimistic that the pace of economic development would be considerably accelerated in the coming years. He pointed out that as a result of governmental measures the prices during the last few months have been steadily coming down. "This is no mean achievement", he said, "when we consider that in most of the countries around the world

prices continue to rise." He said government would give highest importance on protecting the more vulnerable sections of population against shortages and high prices of essential commodities. For this, the government would expand public distribution system and ensure efficient procurement of basic commodities.

The budget proposed taxation to yield Rs 2880 million. Excise duties alone are expected to yield Rs 2505 million. The basic excise duty on free sale sugar is to be stepped up from 30 per cent *ad valorem* to 37.5 per cent *ad valorem*. The basic duty on loose tea, cement, motor spirit, furnace oil, commercial grade aluminium and 'cigarettes is also to be raised. Fresh duties are to be levied on bidis, chewing tobacco and snuff. Duty adjustments are proposed on rayon and synthetic yarns and superfine and fine cotton yarn. Duty on luxury goods viz. air conditioners and parts of refrigerating and air-conditioning plants is proposed to be raised while on refrigerators and aircoolers there would not be any change.

The basic duty on *cosmetics* and *toilet preparations* is being raised from 30 to 40 per cent *ad valorem*. *Shampoos* will henceforth pay a basic duty of 40 per cent. The duty on *safes, strong boxes* and similar articles will go up from 10 per cent to 20 per cent *ad valorem*. The combined revenue effects of these proposals will be Rs. 76.50 million.

The excise duty is also being increased on synthetic organic *dyestuffs, chinaware, porcelainware, glass and glassware, packing and wrapping paper, pulp boards and duplex and triplex boards, electric wires and cables and electric fans*. It is also proposed to rationalise the tariff entries and exemption notifications relating to *gramophones, record players, tape-recorders, permanent magnets, vehicular tyres, components of motor vehicles, wool tops*. concession for the use of rice-bran oil and minor oils for the manufacture of *soap and cottonseed oil in the manufacture of vegetable products*. It is also proposed to rationalise the tariff for exposed cinematograph *films* and to increase the differential between *coloured films* on the one hand and black and white films on the other.

There will be an excise duty of 15 per cent *ad valorem* on *graphite electrodes and anodes*.

No change has been proposed in the rate of income-tax in the case of non-corporate tax-payers.

The Finance Minister announced a package of measures for improving the investment climate. These measures will reinforce the other policies that the Government have announced for encouraging greater production in certain vital sectors. The measures include extension of tax holiday, exemption of inter corporate dividends derived from new companies engaged in high priority industries, exemption from wealth tax of equity shares in new companies engaged in certain priority industries and incentives to greater savings.

Out of every rupee which the Finance Minister will collect during 1975-76, 27 paise will come from excise, 12 paise from customs, 7 paise from Corporation tax, 2 paise from income-tax and 2 paise from other taxes. Non-tax revenue will yield 16 paise, loan repayments 13 paise, market loans, small savings and provident funds 8 paise, external loans 6 paise and other receipts 5 paise. The deficit of 2 paise remains uncovered. From every rupee thus collected government will spend 34 paise of Plan and 21 paise on other development expenditure. Defence will cost 21 paise, interest payments 11 paise, statutory and other transfers to States and Union Territories 6 paise and other expenditure 7 paise.

RECORD SUGAR PRODUCTION EXPECTED

Total production of sugar in India during 1975 is expected to be of the order of 4.4 to 4.5 million tonnes. The Indian sugar Industry with this level of production is thus expected to achieve a major breakthrough in the field. The output target at the end of the Fifth Five Year Plan has been fixed at 6 million tonnes.

Because of unprecedented rise in sugar price in the International market in the previous year, the importance of sugar industry in Indian economy as a significant foreign exchange earning sector has brightened. India requires today not only the foreign exchange accruing from such exports but also the excess rupee realisations available through it. During the first two months of

the current year about 400,00 tonnes of sugar have been exported.

Average yield of sugarcane in India is 50.63 tonnes per hectare. With an area of 2.72 million hectares, the production of sugarcane in the country during 1973-74 was 137.80 million tonnes.

With a view to encourage sugarcane growers to achieve maximum production, the Government of India has been organising Sugarcane Crop competition wayback since the year 1956-57. These competitions are being organised separately for the Southern and Northern regions in view of the different agro-climatic conditions in these areas. During 1973-74, Maharashtra State bagged the running silver shield in the 18th All India Sugarcane Crop Competition in the Southern region. The State recorded the highest average yield of 318 tonnes per hectare amongst all the competition plots harvested. The State has also won prizes for short duration crops in the Southern region.

ON KOLAR GOLD FIELDS

Bharat Gold Mines Limited is taking various steps to increase output and reduce the cost of production in the Kolar Gold Fields.

In view of the obligations of Government vis-a-vis the International Monetary Fund, all gold produced at the Kolar Gold Fields, which have been entrusted to Bharat Gold Mines Limited from 1st April, 1972 has to be sold to Government at the International Monetary Fund price of gold despite the fact that both the internal and international market prices of gold have been much higher. Mainly because of this, even in the last year (1971-72) of departmental working of these mines, the revenue deficit was Rs. 48.90 million. While entrusting the mines to Bharat Gold Mines Limited accordingly, Government agreed to assist this public sector undertaking separately keeping in view the difference in prices and the cost of production.

In order to improve the financial results, the Company has taken up various steps for modernisation, expansion and diversification as well as location of new sources of gold ore.

ON IMPORT OF CARS

The total number of cars imported into India during 1973-74 was 54 as against 51 numbers imported in 1972-73 and 321 numbers in 1971-72. These imports, however, do not include information in respect of cars imported or brought as passenger baggage and goods sent by the Governments of foreign countries to their diplomatic personnel, stationed in India. The import made on account of various organisations of the United Nations would also be excluded from the figures given above.

The number of customs clearance permits issued for import of cars under passenger baggage totalled 720 in 1973-74 as against 888 in 1972-73 and 940 in 1971-72.

Import of cars involving foreign exchange outgo is not normally allowed although customs clearance permits are issued for the import under the baggage rules without involving remittance of foreign exchange.

DEVELOPMENT OF LEATHER INDUSTRY—ROLE OF CLRI

In spite of many attempts to replace leather by alternative materials, mostly synthetic, leather maintains its place and in fact finds newer uses in modern times. No synthetic material produced so far, possesses so many in built-and desirable characteristics of leather.

The raw materials for the various types of leathers are hides and skins of animals, mainly, sheep, goat, cow and buffalo. India with more than 20 per cent share in respect of cattle and goat population of the world accounts for 10 per cent and 27.5 per cent of the global availability of hides and goat skins respectively.

India has been a traditional exporter of raw skins and semi-finished (E.I. tanned and wet blue) leathers

for a number of years, earning a sizeable amount of foreign exchange. Leather and leather products which used to be fourth or fifth in the list of foreign exchange earners a few years ago, shot up to the second place in 1972-73, having earned nearly Rs. 1890 million.

Leather Exports from India improved year after year—from Rs. 6100 million in 1960-61 to Rs. 8100 million in 1965-66, Rs. 15,150 million in 1968-69, Rs. 15,640 million in 1971-72, Rs. 19,540 million in 1972-73 and Rs. 24,560 million in 1973-74. Export of hides and skins, leather, leather goods including footwear were of the order of Rs. 380 million, Rs. 440 million, Rs. 860 million, Rs. 1020 million, Rs. 1890 million and Rs. 1880 million in the respective years. The percentage shares of leather export, in the total export in these years were 5.77, 5.38, 6.50, 6.50, 9.70 and 7.70 respectively.

Though India has been exporting for quite a number of years, E.I. tanned hides and skins which used to be the raw materials for the importers in the West for manufacturing variety of leather goods like gloves, garments, linings, etc., the pattern of the leather exports is slowly changing. The content of finished leathers and leather manufactures in India's exports has been steadily increasing as is evident from the fact that in 1961-62, 1972-73 and 1973-74, the percentage share of raw skins was 24.4, 0.4 and 0.8, E.I. skins 44.9, 42.8 and 34.8, E.I. hides 20.4, 11.7 and 12.6; blue-chrome hides and skins 1.0, 28.3 and 33.3, Finished leather 4.8, 9.3 and 8.9, Leather goods 0.4, 2.2., and 4.1; Leather footwear 5.2, 5.3 and 5.5. In terms of value, exports in 1961-62 totalled Rs. 350 million in 1972-73, Rs. 1890 million and in 1973-74 Rs. 1880 million.

Aware of the importance of the leather industry to the national economy, the Government of India has taken a number of measures to boost up the export of finished leathers, footwear and leather goods which, with added value over the semi-finished leathers, could contribute to India's foreign exchange earnings in a more significant manner. Accordingly, the export of raw goat skins has been completely banned and quota system has been introduced for the export of semi-finished E.I. and blue chrome hides and skins. The intention is to progressively cut-down the export of such leather which in turn is expected to act as an incentive for

the tanners to take up the manufacture of finished leathers and leather products including footwear. This aim can be achieved only by modernising the finished leather, footwear and leather goods industries. Only then the exacting standards and quality demanded by Western buyers for finished leathers and leather manufactures can be achieved and India's leather and leather products can compete in the world market.

Necessary infrastructure has to be built up in order to facilitate the switch over from semi-processed to finished leathers and ultimately to footwear and other leather-based products. The infrastructure includes development of suitable technology, availability of the necessary tanning materials, chemicals and auxiliaries and sophisticated and modern machines which would help in the production of quality leathers and goods. Further the switch over will lead to a demand for trained technologists and technicians.

In this task, the Central Leather Research Institute (CLRI) whose nucleus was formed nearly a quarter of a century ago, has been playing a significant role to put India, which was only a traditional exporter of raw skins and semi-finished leathers, in the leather map of the world. The Institute is one of over 40 National Laboratories in the country established by the Council of Scientific and Industrial Research (CSIR) in order to give a fillip to industrial research in various fields. Eversince its inception, the CLRI has been engaged in promoting leather research with a view to modernise the industry. Over the years, it has achieved significant results by developing indigenous know-how for the manufacture of finished leathers suited for making footwear and leather goods. In addition to carrying out both fundamental and applied research, the Institute helps the Indian Leather Industry in a number of ways. For the planned and organised growth of the industry, statistical data regarding resources, availability of raw materials, export, etc. are very essential. CLRI has carried out techno-economic surveys in a number of states and these reports would come in handy for the setting up of new units and for modernising existing ones for the production of export quality leathers. Further, the Institute undertakes to prepare blue prints and project reports for starting new units to manufacture any

type of leather meant both for export and for local consumption as and when requests are received from entrepreneurs or governments.

The most important activity of the Institute is service to the developing industry. Regional centres have been established in various parts of the country in order to render assistance in solving the day to day problems of the local tanners. They are at Bombay, Rajkot, Jullundur, Kanpur and Calcutta. These centres arrange for demonstration of the numerous processes developed by the Institute for the manufacture of a variety of leathers. Notable success has been achieved in the development of newer types of leathers like tie and dye leathers, printed leathers, utilisation of animal stomachs, etc. The Institute is also in a position to supply know-how even to developed countries e.g. process for wet heat resistant leathers.

For manufacture of leathers meant for special and sophisticated uses, suitable chemicals, finishing auxiliaries and machines are very essential. In these spheres also, the CLRI has achieved notable success. Products like finishing agents, tanning agents, synthetic tannins, and fat liquors, have been developed from indigenous raw materials, tested and handed over to the industry. As regards machinery, the Institute has made a few engineering industries interested in the manufacture of various types of machines required for leather manufactures and a few, if not all, of the machines are now made indigenously. In course of time, it is hoped that even

sophisticated machines would be fabricated to suit the local needs with technical help from the Institute.

In addition to the efforts to help the leather industry in all possible ways, the CLRI has drawn up a programme for research on footwear, leather goods, travel goods, etc. As previously indicated, if instead of finished leather, finished goods are exported, the value of the country's earnings can be increased two-fold or even three-fold. The UNDP is lending a helping hand in this project for the training of personnel.

Trained personnel are required to man the various tanneries that are coming up for the production of finished leathers and leather goods. In this task also, the Institute has actively associated with the University of Madras in training students for the B. Tech. and M. Tech. Degrees in Leather Technology. In addition, the Institute has given training to a number of persons from developing countries from Asia and Africa and plans have already been drawn up to establish an international training centre in the campus. Refresher courses are also organised periodically for the benefit of technicians and other staff from the industry. These courses help them to keep abreast with the changing trends in leather production and latest finishing techniques. Institute staff have been deputed to countries in Asia and Africa as FAO and UN Experts. Recently, a team of experts from the Institute was sent to Iran at their request for organising and setting up a research cum training centre at Tehran. □

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EXPORT TRADE IN ENGINEERING GOODS

India's export trade in engineering products aggregated Rs. 2000 million during the first three quarters of 1974-75 (April-December, 1974) which was a 84 per cent rise over the export value in the corresponding period of the preceding year. The target for the exports in the full year of 1974-75 was placed at Rs. 3000 million. Addressing the Engineering Export Promotion Council, recently, the Union Minister of Commerce, Prof. D. P. Chattopadhyaya appealed to the engineering industry of India to set its sights higher in the export context. The industry's output has been running at a level of Rs. 35,000 million a year and it should not be an ambitious target to aim at export of a minimum 10 per cent of the total production. The Minister mentioned possibilities for export of capital goods, turnkey projects and construction services, particularly to Middle East, South Asia and Africa.

The Engineering Export promotion Council has recently presented awards for Export Excellence during

1973-74. The All India Top Exporter's Rotating Shield (large scale sector) was awarded to M/S. Tata Engineering and Locomotive Co. Ltd. while the All India Top Exporter's Rotating Shield (Small Scale Sector) was awarded to M/s. Bhagwati Steel Pvt. Ltd. The firms in the large scale sector who have received regional top exporters' rotating shields include M/S. Kamani Brothers Private Ltd., M/s. Gedore Tools (India) Ltd. and M/s. the Indian Tube Company Ltd. In the small scale sector, the regional awards have been secured by M/s' Hamilton Industries (p) Ltd., M/s. Aero Engineering Works, M/s. Katia Steel Rolling Works, and M/s. Rajan Trading Company.

M/s. Tata Engineering and Locomotive Company Ltd. (TELCO), Shivsagar Estates, Worli, Bombay, who commenced assembly and production of commercial vehicles two decades back, entered the export field in 1961-62. Their total exports to date amount to over Rs. 570 million. The Tata commercial vehicles are plying in over forty countries and have won recognition for their sturdy and dependable performance. Many Government/public transport corporations abroad in countries like Bahrain, Sri Lanka, Arab Republic of

Egypt and Uganda have standardised or are tending to depend increasingly on Tata buses, trucks and other special purpose vehicles for their fleet operations. The firm has been able to achieve this success mainly by adhering to strict quality control and effective after-sales-service for the vehicles exported by them. Furthermore, Telco has always placed great emphasis on Research and Development and are continuously endeavouring to improve their performance and introduce new models to meet international requirements.

M/s. Bhagwati Steel Private Ltd., (67, Park st. Calcutta), winners of the All India Top Exporter's Rotating Shield (small scale sector), have a record of consistent export growth. Their exports which were limited to about Rs. 1.80 million in 1968-69, gradually rose to Rs. 7.65 million in 1972-73 to attain a level of nearly Rs. 11.70 million in 1973-74. Before winning the Top Exporters Shield in 1973-74, the firm also received a certificate of Merit for the year 1972-73 from the Engineering Export Promotion Council, Calcutta. It hopes to attain still greater success in the export field in future. Already, 70 per cent of its production is exported, mainly to a sophisticated country like the U.S.A. The production profile of the firm includes fencing materials like tension bars, gate rods, drop rods and truss rods.

Among the regional export award winners in the large scale sector, M/s. Kamani Brothers Private Ltd., (Nicol Road, Ballard Estate, Bombay) who distinguished themselves for outstanding export performance in the Western Region (Bombay) have been recipient of several awards from Government, semi-Government organisations and other associations. In fact, they are reported to have been the topmost exporter of engineering goods, during 1972-73. They deal not only in Kamani Group products, but in quality products of other leading manufacturers in India. This Export House has spread its activities far and wide with a net work of offices, agents and representatives the world over. They offer complete export services, from the investigation of market potential to the establishment of the products in the highly competitive markets. The ever-widening range of the engineering items handled by them includes turnkey projects for installing complete transmission lines : Design, Fabrication and Galvanising of Transmission Line Towers, Substa-

tion structures and all types of masts, House Service Meters, Copper and ACSR Conductors, Brass and Copper Strips in Coils, Free cutting and forging quality brass rods, Zinc Oxide, lead and Industrial Jewels. They are also dealing in hand tools and cutting tools, C.I. pipe fittings, castings, flashlights, deepwell pumps, steel wires, electrical transformers, copper and brass wires, copper and wire rods, MS galvanised pipes/tubes and building hardware. Besides the above engineering items, the Export House also handles a variety of non-engineering items such as reclaim rubber, rubber, readymade garments, handicrafts, processed foods and marine products.

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INDIA'S TRADE PATTERN WITH EEC

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M/s. Gedore Tools (India) Ltd., (151, Golf Links, New Delhi) are the award winners for the Northern Region (New Delhi). Their exports have been particularly remarkable. Conforming to the strict standards of the Indian Standard Institute on the basis of German, American and British Standards, the exports of the firm have increased from Rs. 42,671 in 1963 to Rs. 41.12 million in 1973. The target for 1974-75 has been set at Rs. 60 million. In fact, in 1973-74 their exports accounted for about 2/3 of their total production contributing nearly 70 percent in the total exports of Indian handtools of all types. They were awarded a Certificate of Merit by the Government of India for their commendable export performance for the year 1968-69. For the last two years, they have been continuously getting National Awards for Exports. Gedore exports cover over forty countries in the world which include such sophisticated and quality conscious markets as the U.S.A., Japan, West Germany, the U.K., Canada, France, Holland and Australia. The diversified range of hand tools produced by the firm includes open jaw spanners, ring spanners, combination ring and open end spanners, adjustable wrenches, Stillson pattern pipe wrenches and tubular box spanners. The firm has a capacity to manufacture over 4 million pieces of spanners and wrenches every month.

The Indian Tube Company Ltd., (43, Chowringhee Road, Calcutta) has a licensed capacity of 250,000 tonnes of steel tubes and apart from being the biggest producer of commercial quality tubes, it also makes Seamless and ERW tubes for a large variety of industrial, mechanical and high-pressure applications, such as for oil exploration, boilers, automobiles, etc.

The company has constantly striven to keep pace with technological and industrial developments in India and abroad and has just completed a project worth Rs. 30 million of specialised equipment for oil industry.

About a decade back when exports were highly unremunerative, the company pioneered exports to the USA, developing tubes to ASTM specifications. Ever since, the company has been exporting, mainly to sophisticated markets, substantial tonnages of tubes (over 142,000 tonnes up to 1973-74) and earning valuable foreign exchange for the country (Rs. 150 million upto 1973-74).

Of the regional award winners in the small scale section, M/s. Hamilton Industries Pvt. Ltd. (off Haines Road, Mahalakshmi Road, Bombay) who entered the export field with a modest foreign exchange earning of Rs. 41,000 in 1967-68, raised their exports to Rs. 6 million in 1972-73 and about Rs. 7.50 million in the following year. Initially limited to bicycles and components, the firm's exports to-day include various engineering goods as well as chemical and other products. The company specialises in supplying special purpose plants and machinery for producing various bicycle components and other engineering goods in keen competition with other developed countries. Presently, it is negotiating with a number of overseas customers for joint ventures, whereby they will give them the technical know-how in addition to the supplies of plant, machinery and the components for various products.

M/s. Aero Engineering Works (Gill Road, Ludhiana) have appreciably increased their export of bicycle parts in recent years. These doubled to Rs. 10 million in 1973-74 from Rs. 5 million in 1971-72 and Rs. 5.70 million in 1972-73. The firm proposes to diversify its production to include handicrafts, and readymade garments. Similarly, M/s. Katia Steel Rolling Works (93, Park st. Calcutta) have succeeded in stepping up their exports to over Rs. 10 million in 1974 from barely Rs. 1 million in 1969. The export turnover of M/s. Rajan Trading Co. (Futnani Chambers, 13, Sembudoss st, Madras) amounted to Rs. 3 million in 1973-74 as against only 0.4 million in 1971-72. The firm's export target for the current year is placed at Rs. 5.80 million.

EXPORT PERFORMANCE AND POTENTIAL

ESCAP SESSION IN NEW DELHI

The thirty-first session of the Economic and Social Commission for Asia and Pacific (ESCAP) was held in New Delhi during February 26 to March 7, 1975. The Session was attended by representatives of 33 members and associate members, 16 non-member countries as well as U.N. bodies, specialised agencies and non-Governmental organisations. In all a total number of 427 delegates participated in the Session. The Com.

mission elected Professor D.P. Chattopadhyaya, India's Minister of Commerce as its Chairman and 12 vice-chairmen from Afghanistan, Bangladesh, China, Iran, Japan, Malaysia, Mongolia, Nauru, New Zealand, Philippines, Sri Lanka and Thailand.

The Commission adopted seven draft resolutions including the New Delhi Declaration. The New Delhi Declaration fixed attention on the common people of the region and the improvement of their quality of life through economic growth with social justice as also constituted the regional contribution to the establishment of a new international economic order. It declared that the problems of the region should be approached towards the expansion of sub-regional and regional understanding and international cooperation. The Declaration, which marks the half-way point in the Second Development Decade, also brought out the disappointments of the developing world in respect of fulfilling the targets set out by the U.N. in its development strategy. The countries of the ESCAP region accounting for a major part of the world's population continue to face poverty. The world economy has been shaken up by upheavals in the last few years that have had inevitable repercussions on the developing countries of the region, the Declaration stated. In the context of the persistent food shortage, it has become necessary to re-examine and re-define the objectives and priorities and rededicate to the task of development for the establishment of new economic order. Mere growth of economies in terms of GNP would not be sufficient. But the distribution of wealth among the member countries of the region would be the basic goal, the Declaration added. It also highlighted the need to intensify efforts for stepping up food output and to take cooperative action with assistance from the developed countries to solve the balance of payments difficulties of the developing countries as also the need to utilise technologies developed by the developing countries suited to their needs and their domestic resources. The Declaration also called upon the member countries to accelerate the implementation of the programmes for providing education, health, housing and other social services.

An important outcome of the ESCAP session was in regard to the proposal to set up a Regional Centre for the Transfer of Technology. The immediate need

to create an appropriate institution within the region to help the developing countries to acquire, adopt and absorb technology was fully recognised in the course of the deliberations of the Commission. India's offer to provide host facilities for the proposed centre was appreciated by the Commission which requested the Executive Secretary to appoint a group of regional experts to make a feasibility study of the proposal to establish the Centre of Technology Transfer in India and to prepare a comprehensive project report for consideration by the first session of the committee on industry, housing and technology in the course of 1975.

The third important resolution adopted by the Commission pertained to the establishment of a separate legislative committee for shipping and ports. The Commission recognised the potential that existed for the successful development of the shipping industry in the developing countries of the ESCAP region, and the contribution that the promotion of shipping could make to the rapid economic development of these countries. The Executive Secretary was requested to take necessary measures for a better co-ordination of all matters pertaining to shipping and ports. The Indian delegation pleaded for the consideration of the problems related to shipping and ports in one forum and for this purpose advocated the establishment of a separate committee under ESCAP. This was also the view of several other delegations including those of Afghanistan, Bangladesh, Bhutan, Iran, Laos, Mongolia, Nauru, Nepal, Pakistan and Sri Lanka. It was, however, agreed that this matter be finally decided at the thirty-second session of the Commission.

Among other resolutions adopted by ESCAP were the one pertaining to the status of women on the regional plan of action for the enhancement of rural development of women. This resolution would assume importance in the context of the International Women's year that is being observed during 1975.

By another resolution, the Commission requested the Executive Secretary to take immediate appropriate measures to locate the Asian Centre for Agricultural Machinery in the Philippines in terms of the recommendations of the UNDP, UNIDO, FAO and ESCAP. All the member-countries were requested to extend support in order to implement the proposal for setting up the centre.

By yet another resolution the Commission endorsed some of the recommendations of the Executive Secretary regarding the future structure of the four regional training institutions under ESCAP, namely, Asian Institute for Economic Development, and Planning; Asian Centre for development of Administration, Asian Statistical Institute and Asian Centre for Training and Research in Social Welfare and Development. The Commission also adopted a resolution to re-name the Asian Development Institute as the Institute for Economic Development. The new title of the Institute is to provide a better description of the functions being performed by it, both in economic and social fields.

Among other highlights of the ESCAP Session was the indication by Iran of its preparedness to assist financially in the creation of a new and economically justified fertiliser capacity in the countries bordering on the Indian Ocean in order to meet the local and regional requirements. Iran was also prepared to enter into bilateral arrangements to expand the fertilizer industries. Also the Commission stressed the importance of food security arrangements for emergency requirements and the need for the poor to have a share in the available food suppliers at reasonable price. In regard to the ESCAP Regional Food Security Programme, the consensus at the meetings of the Commission was that it should be a part of global arrangements.

The deliberations of the Thirty first session of the ESCAP Session which met in New Delhi marked an important chapter in the regional cooperation. It has touched upon the fundamental problems of the region and paved way towards practical solutions. The delegates of various member-countries which were represented at the Commission's session conducted the deliberations in a spirit of mutual understanding and good will. It is to be hoped that the next session of ESCAP scheduled to be held in Dajakarata (Indonesia) will prove to be yet another important landmark in the history of the Commission.

FOREIGN EXCHANGE FROM TRANSISTORS

The export value of Indian transistor radios amounted to Rs. 16.52 million during 1973-74. The

exports are estimated to have improved to the level of Rs. 21 million during 1974-75. The transistor exports have been mainly in the direction of United Kingdom, Nigeria, Netherlands, Dahomi Republic, Federal Republic of Germany, Dubai, Czechoslovakia, Liberia, Malaysia, Singapore and Switzerland.

Export of electronic items are estimated at Rs. 75 million for 1973-74. In the same year total production of electronic equipment and components was estimated at Rs. 2420 million as against Rs. 2060 million in 1972-73 and Rs. 1850 million in 1971-72. Of the total production in 1973-74, the share of consumer electronics and mass communication was Rs. 640 million; telecommunication equipment Rs. 630 million; Aerospace and defence equipment Rs. 350 million; Computer control and instruments Rs. 250 million and components Rs. 550 million.

The Government of India proposes to implement a number of proposals made for further growth of the industry during the Fifth Five Year Plan period. The proposals in the Plan provide for the setting up of new production facilities and new public sector undertakings under the Department of Electronics. The Plan proposals also provide for support for Technology Development; appropriate institutional arrangements for identifying and monitoring various projects through the Technology Development Council have already been taken up. The growth of the small scale sector and the development of electronics in the various states are also likely to receive added momentum on account of setting up of test and Development Centre and the maintenance facilities for electronics equipment envisaged in the Fifth Five Year Plan.

AGREEMENT WITH TAIWAN FOR SCOOTER MANUFACTURE

India is to export 125,000 scooters to Taiwan in the next ten years. An Agreement has been signed to this effect between an Indian scooter manufacturer and a Taiwan company.

The foreign exchange earning that is expected to be earned on account of supply of technical know how

will be Rs. 25 million approximately. The price of scooters to be exported in CKD packs will vary from time to time and hence the foreign exchange earning on that account cannot be indicated at this stage.

India's export trade of road motor vehicles amounted to Rs. 150 million during 1973-74. Of this, the export value of motor cycles, motorised cycles and parts amounted to Rs. 3.2 million. The export value of motor scooters alone was of the order of nearly Rs. 2 million. Nepal, Thailand, Sri Lanka, Bangladesh Malaysia were among the important buyers.

INDIA'S PARTICIPATION IN FRANKFURT SPRING FAIR

After a lapse of three years, India has made a successful return to the Frankfurt International Spring Fair held during February 23-27, 1975 under the aegis of the Directorate of Exhibitions and Commercial Publicity of the Ministry of Commerce. Nine leading Indian firms exhibited handicraft products ranging from EPNS ware to wooden and ivory articles. The special emphasis in the Indian display was on precious and semi-precious jewellery items as also silver ware. India's participation in this prestigious fair attracted widespread attention. There were favourable write-ups in leading newspapers and the German television. More than 15,000 tourists from all over Europe are reported to have visited the Indian stand. On the spot bookings totalled Rs. 4 million while orders for another Rs. 4 million were under negotiations. In addition, more than 400 trade enquiries were received and suitably processed.

Indian exports to the Federal Republic of Germany totalled Rs. 8183 million during 1973-74. The export value of pearls, precious and semi-precious stones in this year amounted to nearly Rs. 22 million while that of works of art, collectors' pieces and antiques aggregated Rs. 26 million.

EXPORT TRADE IN FISH

India's export trade in fish amounted to 20,500 tonnes valued at Rs. 380 million during the first seven months of 1974-75 (April-October 1974). However, there was a decline in the exports of the item during this period as compared to the exports in the corresponding period in the previous year due to recession in affluent markets coupled with limited catches of exportable varieties of fish in India and a downward trend in the overseas demand for fish from India.

The export of fish and fish preparations during 1973-74 stood at Rs. 872.78 million while it was of the order of Rs. 538 million in the preceding year. The ECAFE countries (now ESCAP) absorbed the fish at a value of Rs. 561 million while the North American markets purchased at a level of Rs. 236 million during 1973-74. In the same year the exports to the African countries amounted only to Rs. 1.8 million. Fish supplies to ECM and EFTA regions amounted respectively to Rs. 65 million and Rs. 8.6 million in this year.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

REVIEW OF INDIA'S INDUSTRIAL DEVELOPMENT

Having increased at an average annual rate of over 8 per cent during the period 1956-64, India's industrial production has witnessed a somewhat slackened rate of growth in the subsequent years. While the Fourth Five-Year Plan aimed at improving the annual growth rate of 8 to 10 per cent, the industrial output had in actual practice achieved a growth rate of only 3.9 per cent per year. The rate of growth of industrial production in the financial year 1974-75 is likely to be about 3.5 per cent, according to the Economic Survey for 1974-75 published by the Government of India.

As the industrial sector provides bulk of Government revenues, the sluggishness of industrial output which has continued over the years has affected the growth of public savings, thereby leading to the expan-

sion of public sector investments. It is apprehended that since the achievement of a major break through in India's export is dependent on a rapid growth of manufactured goods, the stagnation of industrial production is likely to affect a sustained increase in exports also.

A brief study for the major groups of industries in India during the first seven months of 1974 (January-July) would indicate that as compared to the corresponding period of the preceding year, certain industries recorded improvement in their output. These industries included electricity generation, mining, food manufacture, beverages, tobacco, paper, rubber products, chemicals, petroleum products, non-metallic minerals, metal products and electrical machinery. But the textile industries did not reveal any growth. Certain industries including footwear, basic metals, non-electrical machinery, transport equipment and manufactures of wood and cork even registered decrease in output.

Having reviewed the pattern of annual growth in the industrial sector, the Economic Survey has analysed the factors that contributed for the stagnation. The first factor relates to the capacity utilisation; slow expansion of productive capacity would be a major factor affecting the growth of industrial production. It is stated that sustained increase in the industrial production at the rate of 9 per cent per year could be possible only with a capacity increase of about 10 per cent per year (assuming capacity utilisation at 80 per cent). However, the capacity in major Indian industries grew during the Fourth Five Year Plan period only at an overall annual rate of 3.8 per cent. Another factor responsible for industrial stagnation has been the low capacity utilisation. It has been estimated that for 40 major industries capacity utilisation declined from 78 per cent in 1968-69 to 70 per cent in 1973-74. The capital goods sector, however, has witnessed improved capacity utilisation during this period. It is also gathered that on account of improved performance of several public sector units in the heavy engineering sector the utilisation ratio in respect of capital goods may have further improved during 1974-75. Many factors have contributed to the wide spread prevalence of the phenomenon of under-utilisation of capacity in Indian industry. Firstly, production trends in agro-industries, which have a weightage of

over 45 per cent in the index of industrial production are vitally linked to the trend of output of commercial crops. The output of important commercial crops such as raw cotton, raw jute, sugarcane and vegetable oil seeds has not shown strong rising trend in the last five to six years. As such, the output of industries such as textiles, vanaspati, soap and sugar has not been characterised by any significant expansion since 1969-70. Availability of power has also emerged as an important constraint on the utilisation of capacity. Electricity generation in 1973 declined by 1.8 per cent, but it went up by 1.6 per cent in 1973-74 as compared to 1972-73. The Fourth Plan envisaged an addition of 9.3 million kw of electricity generation capacity over the five year period but the actual achievement was less than 50 per cent of the target. The Fifth Plan proposes an addition of 13.5 million kw to the generation capacity. Adequate availability of coal, steel and cement also proved to be among the constraints for industrial progress. Fortunately, there are indications of the rate of growth of production of coal beginning to pick up. Its output during April-December 1974 was 62.4 million tonnes as compared to 57 million tonnes in the same period of 1973. It is expected that production in 1974-75 will be about 87 million tonnes -11.5 per cent more over than in 1973-74. As for iron and steel, the output has not been commensurate with the sizeable investment ploughed into the industry. Also capacity utilisation fell from 71 per cent in 1968-69 to 57 per cent in 1973-74. Available data, however, suggests that production of saleable steel by the main producers is likely to be about 5 million tonnes in 1974-75 as against 4.4 million tonnes in the preceding year. Production of cement, another basic input whose shortage appears to be impeding investment in the form of construction activity, declined from 15.5 million tonnes in 1972-73 to 14.7 million tonnes in 1973-74. Available data indicate that there has been a further deterioration in cement output as well as capacity utilisation in 1974-75.

Besides the constraints mentioned above, there are certain factors which are a part of the system that Indian economy has chosen for itself. For instance, tight import control has created a highly sheltered domestic market for industrial production. Under this system, the incentive to expand

domestic output by cutting down costs and prices would be absent.

Referring to the apprehensions of impending recession in Indian economy, the Economic Survey has pointed out that if the expectations of a recession are based on the assumption that certain anti-inflationary measures adopted by the Government in the latter half of 1975 might lead to a further deceleration in the pace of industrial activity, clearly there would not be enough substance in such analysis. The industrial stagnation which is essentially due to bottlenecks in the supply of certain critical inputs cannot be dealt with effectively by an expansionary fiscal and monetary policy mix.

It is no doubt possible that the slow pace of public sector investment may affect the demand for the output of certain capital goods industries. However, the stagnation of industrial investment is basically due to a deficiency of real savings rather than a general decline in demand.

At the same time, the Economic Survey admits that the possibility of a severe recession in industrial countries having certain adverse effects on the growth of Indian exports and hence industrial production cannot be ruled out.

The Economic Survey opines that as a result of the determined efforts that are being made in the country to increase the output of such vital inputs as power, coal and steel, the prospects for industrial development in 1975-76 could be expected to improve. However, there are indications that at least during the first half of the year, availability of agricultural raw materials would continue to be a dominant constraint on the growth of output of agro-industries. The export prospects for manufactured goods are also somewhat uncertain.

STUDY ON NEW STEEL PLANTS

The Steel Authority of India Limited are reported to have commissioned M/s Metallurgical and Engineering Consultants (India) Limited to prepare Feasibility Reports on two integrated steel plants—one in the Baila-

dila region in Madhya Pradesh and the other near Surajgarh in Maharashtra. These studies are likely to be completed within six months. The feasibility reports would be for steel capacity of about two to three million tonnes at each of these sites. These studies were undertaken in connection with long-term steel development programme and could be made use of while considering proposals for the future five-year plans.

A Technical Committee is now scrutinising the Detailed Project Report submitted by M/s M.N. Dastur and Company Private Limited, consulting engineers on the Salem Steel Project. The report of the consulting engineers recommended an annual capacity of 220,000 tonnes of finished steel sheets and strips. This total would consist of 75,000 tonnes of electrical steel, 70,000 tonnes of stainless steel, 55,000 tonnes of other special steels and 20,000 tonnes of mild steel. The capital cost of the project has been estimated at about Rs. 5180 million based on current costs including a foreign exchange component of about Rs. 930 million.

The Detailed Project Report for the Visakhapatnam Steel Project is expected to be commissioned shortly. Most of the land required for the plant area has already been acquired. The remaining area is also proposed to be acquired shortly.

INDIA'S TRADE PATTERN WITH EEC

India's export trade with the member countries of the enlarged EEC amounted to Rs. 4077 million in 1972-73, Rs. 5943 million in 1973-74 and Rs. 3274 million in the first half of 1974-75 (April-September 1974). Indian imports from EEC aggregated to Rs. 5764 million in 1972-73, Rs. 6832 million in 1973-74 and Rs. 3690 million in the first half of 1974-75.

Of the export value of Rs. 5943 million to the ECM countries during 1973-74, the most important items were in respect of textile yarn and fabrics (Rs. 1027 million), leather and manufactures (Rs. 847 million), coffee, tea and spices (Rs. 763 million), feeding stuff for animals (Rs. 711.4 million), non-metallic mineral manufactures (Rs. 397 million), tobacco and manufactures (Rs. 356

million), clothing (Rs. 341 million), oil seeds and kernels (Rs. 143 million), machinery and transport equipment (Rs. 123.5 million), fixed vegetable oils and fat, (Rs. 113 million), chemicals (Rs. 96 million), fruits and vegetables (Rs. 76 million) and fish and fish preparations (Rs. 65 million).

As for Indian imports from the ECM countries, the total value in 1973-74 was Rs. 6832 million. The most important items of India's purchase were machinery and transport equipment (Rs. 3204.5 million), chemicals (Rs. 1196.4 million), iron and steel (Rs. 853.4 million), non-ferrous metals (Rs. 205 million), medicinal and pharmaceutical products (Rs. 122 million), professional and scientific instruments (Rs. 112 million), and fixed vegetable oils and fats (Rs. 104 million).

The details of Indian exports to and imports, from the EEC countries, namely, Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, Luxembourg, Netherlands and U.K. are as follows :

The value of Indian Exports to *Belgium* during 1972-73 and 1973-74 was in the neighbourhood of Rs. 300 million and Rs. 438 million respectively. The most important item of Indian supplies to this market related to pearls, precious and semi-precious stones which were exported at a value of Rs. 156 million in 1972-73 and Rs. 187 million in 1973-74. Leather products constituted another important group exported by India to the Belgian market at Rs. 62 million in 1972-73 and over Rs. 58 million in the subsequent year. Crude animal materials were exported to fetch nearly Rs. 5 million in 1972-73 and Rs. 28 million in 1973-74. The export values of other items during 1972-73 and 1973-74 respectively were as follows : jute manufactures (Rs. 3.6 million and Rs. 15 million), textile yarn and thread (Rs. 6.7 million and Rs. 16 million); crude vegetable materials (Rs. 7.6 million and Rs. 11.6 million); wool and animal hair (Rs. 4.8 million and Rs. 7.6 million); frog meat (Rs. 3 million and Rs. 7.6 million); unmanufactured tobacco (Rs. 3.5 million and Rs. 3.4 million); floor coverings, non-cotton and non-jute (Rs. 4 million and Rs. 6.8 million); tanned sheep skins (Rs. 3 million and Rs. 9.3 million). Other exports included iron ore, manganese ore, onions and readymade garments.

The Belgian supplies to India totalled Rs. 510 million in 1972-73 and Rs. 655 million in 1973-74. Pearls, precious and semi-precious stones were supplied to the tune of Rs. 148 million and Rs. 207 million in these years. The import of iron and steel by India from the Belgian market was valued at Rs. 83 million and Rs. 124 million. Other Indian imports were related to non-electrical machinery (Rs. 32 million in 1972-73 and Rs. 40 million in 1973-74), electrical machinery, apparatus and appliances (Rs. 58 million and Rs. 45 million); chemicals, elements and compounds (Rs. 55 million and Rs. 41 million); manufactured fertilizers (Rs. 11.6 million and Rs. 53 million), milk and cream (Rs. 15 million and Rs. 40 million), zinc (Rs. 7 million and Rs. 10.7 million) and so on.

Indian exports to *Denmark* totalled Rs. 56.6 million and Rs 128.8 million during 1972-73 and 1973-74 respectively. The major items of export were clothing (Rs. 14.7 million and Rs. 49 million); cotton manufactures excluding yarn and thread (Rs 12 million and Rs 25 million); food stuff for animals (Rs 1.2 million and Rs 17.8 million), works of art (Rs 4 million and Rs 7 million); jute manufactures (Rs 1 million and Rs 2.5 million), footwear (Rs 3.6 million and Rs. 2.2 million); coir yarn (Rs 1.3 million and Rs 1.9 million) and rose wood (Rs 2.3 million and Rs. 1.9 million). Other exports were in respect of leather, metal manufactures, iron and steel pipes and tubes and marine products.

The value of the Indian imports from Denmark during 1972-73 and 1973-74 was of the order of Rs 30.7 million and Rs 39.4 million. The most important purchases by India were in respect of non-electrical machinery (Rs 13.8 million and Rs. 15.7 million), followed by medicinal and pharmaceutical products (Rs 4 million and Rs 7.8 million); electrical machinery and parts (Rs 2 million and Rs 3.35 million); scientific, medical and optical instruments (Rs 1 million and Rs 2.4 million) and metal manufactures (Rs 0.6 million and Rs 1.5 million) in the respective years.

The export value of Indian products to *France* was of the order of Rs 455 million during 1972-73 which rose to Rs 475 million in the subsequent year. In these years, the major exports were related to leather (Rs 195 million and Rs 96 million), readymade gar-

ments (Rs 23 million and Rs 63 million), cotton manufactures excluding yarn and thread (Rs 22 million and Rs 42 million), crude vegetable materials (Rs 30 million and Rs 52 million); pearls, precious and semi-precious stones (Rs 27 million and Rs 39 million); oil cakes (Rs 13 million and Rs 23.6 million); castor oil (Rs 27 million and Rs 14.4 million); coir yarn (Rs 14 million and Rs 13.9 million), coffee (Rs 9 million and Rs 11.8 million), Bengal deshi cotton (Rs 1.0 million and Rs 7.6 million); tea (Rs 1.15 million and Rs 1.45 million); works of art (Rs 5 million and Rs 10 million), fish (Rs 8.7 million and Rs 6.4 million); spices (Rs 1.35 million and Rs 7.9 million); crushed bones (Rs. 5.9 million and Rs 9.8 million), mushrooms (Rs 2 million and Rs 3 million), engineering goods (Rs 3.8 million and Rs 4 million).

Indian imports from France were of the order of Rs 398.5 million during 1972-73 while it increased to Rs 697.6 million in 1973-74. Non-electrical machinery was the most important product imported by India from France at Rs 100.6 million in 1972-73 and Rs 364 million in 1973-74. The other items were as follows : electrical machinery and apparatus (Rs. 63.6 million and Rs 124.8 million), transport equipment (Rs 37.5 million and Rs 53 million); iron and steel (Rs 48 million and Rs 50 million); medical and pharmaceutical products (Rs 4 million and Rs 10 million); manufactured fertilizers (Rs 31.7 million and Rs 17 million) and chemical elements and compounds (Rs 31 million and Rs 15 million). India, in addition, imported fixed vegetable oils and fats, essential oils, plastic materials, scientific instruments, paper and paper board, copper and nickel.

Indian exports to the *Federal Republic of Germany* rose from Rs 620 million in 1972-73 to Rs 818 million in 1973-74. Animal feeding stuff which was supplied to the tune of only Rs 21.6 million in 1972-73 fetched as much as Rs 114 million in 1973-74. Other important exports from India to West Germany were cotton manufactures excluding yarn, thread and clothing (Rs. 41 million in 1972-73 and Rs 91 million in 1973-74), leather (Rs 155 million and Rs 81 million), floor coverings other than, cotton and jute (Rs 84 million and Rs 66 million), tea (Rs 50 million and Rs 61 million), crude vegetable materials (Rs 34 million and Rs 50 million),

readymade garments (Rs 36.5 million and Rs 55 million), coffee (Rs 28 million and Rs. 34 million), non-electrical machinery (Rs 18 million and Rs 32 million), electrical machinery and apparatus (Rs 4.7 million and Rs 18 million); pearls and precious stones (Rs 22.5 million and Rs 22 million); cashew kernels (Rs 10.7 million and Rs. 10.3 million); works of art and antiques (Rs 16 million and Rs 26 million); metal manufactures (Rs 9 million and Rs. 11.3 million).

Federal Republic of Germany has been an important source of imports into India. Import value grew from Rs 1726 million in 1972-73 to Rs 1957 million in the subsequent year. The most important items of import have been non-electrical machinery (Rs 623 million in 1972-73 and Rs 663 million in 1973-74), iron and steel (Rs 261 million and Rs 344 million); manufactured fertilizers (Rs 81 million and Rs 178 million); electrical machinery and apparatus (Rs 186 million and Rs 171 million); chemical elements and compounds (Rs 81 million and Rs 117 million); transport equipment (Rs 86 million and Rs 89 million); medicinal and pharmaceutical products (Rs. 41 million and Rs 46 million); fixed vegetable oils and fats (Rs 17.5 million and Rs 43 million); copper (Rs 7 million and Rs 51 million); paper and paper board (Rs 11 million and Rs 25 million) and so on.

India's export trade to *Ireland* amounted to only Rs 69.5 million in 1972-73 and improved to Rs. 90.74 million in 1973-74 with tea and un-manufactured tobacco as major items of export. The export of tea fell from Rs. 52 million to Rs 40 million in these two years while that of tobacco improved from Rs 11 million to Rs 33 million. Other items of export have been jute manufactures, raw jute and iron and steel. Imports from Ireland into India are negligible.

Italy absorbed Indian goods worth Rs 488 million in 1972-73 and Rs 683 million in 1973-74. The most important supply was in respect of leather products whose export value declined from Rs 354 million in 1972-73 to Rs 255 million in the subsequent year. Oil cakes and meal were exported to Italy to the tune of Rs 139 million in 1973-74 while the export of coffee stood at Rs 15 million in 1972-73 and Rs 46 million in 1973-74, clothing (Rs 8 million and Rs. 42 million)

wood, lumber and cork Rs. 23 million and Rs 28, million), crude vegetable materials (Rs 19 million and Rs 27 million), spices (Rs 10 million and Rs 22 million), cotton manufactures (Rs 5.7 million and Rs 22 million), chemical elements and compounds (Rs 4.5 million and Rs 10 million), Works of art (Rs 2.4 million and Rs. 7.3 million), tea (Rs 3.8 million and Rs 6.3 million), jute manufacturers (Rs 1.6 million and Rs. 6.4 million); pearls and precious stones (Rs 2.3 million and Rs 5.7 million), silk (Rs 3.5 million and Rs 5.3 million) and coir yarn (Rs 8.4 million and Rs. 1.5 million).

The value of Indian imports from Italy also showed uptrend, from Rs. 360 million in 1972-73 to Rs. 491 million in 1973-74. Non-electrical machinery was imported into India to the tune of Rs 195 million and Rs. 197 million in these years respectively. Imports of chemical elements and compounds amounted to Rs. 25 million and Rs. 59 million while those of electric machinery and apparatus (Rs 14.5 million and Rs. 42.4 million), iron and steel (Rs 26 million and Rs 35 million), manufactured fertilizers (Rs 11 million and Rs. 43 million); transport equipment (Rs 21 million and Rs. 17 million) and so on.

India's trade with *Luxembourg* has not been sizeable. Floor coverings, tapestries and handicrafts have figured in the export trade from India to Luxembourg while pearls, precious stones figured in India's import trade from that country, both during 1972-73 and 1973-74.

India's export trade to *Netherlands* had doubled from Rs 353 million in 1972-73 to Rs 708 million in 1973-74. Animal feeding stuff which fetched Rs. 59 million in 1972-73 has improved its foreign exchange earning to the tune of Rs 225 million in 1973-74. Exports of tea, grew from Rs 93 million to Rs 101 million. Other items of exports have been leather (Rs 23 million and Rs. 24 million). Pearls and precious stones (Rs 43 million and Rs. 52 million), cotton manufactures (Rs. 3 million and Rs. 18 million), coffee (Rs 13.4 million and Rs 16.5 million), cashew kernels (Rs 13 million and Rs 11 million), readymade garments (Rs 10 million and Rs. 21 million), crude vegetable material (Rs 7 million and Rs. 18 million), coir yarn (Rs 12 million and Rs. 8 million), dyeing, tanning and colouring materials (Rs 4.7 million and Rs 10 million), works of art and

antiques (Rs 6 million and Rs 9 million), floor coverings (Rs 6.8 million and Rs 4.7 million), spices (Rs 1.7 million and Rs 3.5 million), chemical elements and compounds (Rs 3 million and Rs 7.7 million), non-electrical machinery (Rs 2 million and Rs 2.5 million), electrical machinery and apparatus (Rs 2.37 million and Rs 2.23 million) and unmanufactured tobacco (Rs 2.85 million and Rs 3 million).

Indian imports from Netherlands aggregated Rs. 367 million in 1972-73 and Rs 543 million in 1973-74. Manufactured fertilizers (Rs 23 million and Rs 137 million), machinery other than electric (Rs 76 million and Rs. 99 million), electrical machinery and apparatus (Rs 72 million and Rs 56 million), iron and steel (Rs 17 million and Rs 27 million), transport equipment (Rs 5 million and Rs. 23 million), mustard oil (Rs 31 million in 1973-74), and chemical elements and compounds (Rs 48.5 million and Rs 46 million), were the major items of import into India from that country.

The *United Kingdom* has been one of the foremost important trading partners of India. Indian exports to this country grew from Rs 1719 million in 1972-73 to Rs 2580 million in 1973-74. In these two years, the major items of Indian export were cotton manufactures, excluding yarn, thread and clothing, (Rs 198 million and Rs 448 million), tea (Rs 394 million and Rs 356 million), unmanufactured tobacco (Rs 123 million and Rs 316 million), leather (Rs 280 million and Rs 305 million), feeding stuff for animals (Rs 73 million and Rs 185 million); fixed vegetable oils (Rs 31 million and Rs 87 million); crude vegetable materials (Rs 60 million and Rs 84 million), readymade garments (Rs 30 million and Rs 81 million); fruits and vegetables (Rs 41.8 million and Rs 42 million), sugar (Rs 27.7 million and Rs 28 million); wool and animal hair (Rs 37 million and Rs 28 million); marine products (Rs 17 million and Rs 32 million), non-electrical machinery (Rs. 7 million and Rs. 15.51 million); electrical machinery (Rs. 10 million and Rs. 20.5 million); metal manufactures (Rs. 17 million and Rs. 31 million); spices (Rs 9 million and Rs. 12 million); developed cinematographic films (Rs 12 million and Rs 10.7 million); footwear (Rs 11 million and Rs 14 million) and mica (Rs 6 million and Rs. 1 million).

Indian imports from United Kingdom totalled Rs. 2372 million in 1972-73 and Rs. 2448 million in 1973-74. The major imports have been non-electrical machinery (Rs 581 million and Rs. 789 million), pearls and precious stones (Rs 221 million and Rs 350 million); iron and steel (Rs 522 million and Rs 275 million); electrical machinery and apparatus (Rs. 200.6 million and Rs. 250.5 million); transport equipment (Rs 253 million and Rs. 234 million); chemical elements and compounds (Rs 87.3 million and Rs 112 million), non-ferrous metals (Rs 14.5 million and Rs. 72.6 million); metal manufactures (Rs 31 million and Rs. 45 million); medicinal and pharmaceutical products (Rs. 26 million and Rs 33 million); scientific and other instruments (Rs 23 million and Rs 34 million); paper and paper board (Rs 25 million and Rs. 24 million); manufactured fertilizers (Rs. 15 million and Rs. 22 million); plastic materials (Rs 22 million and Rs 19 million) and dyeing and tanning materials (Rs 13 million and Rs 17 million).

An important step forward in the Indo-EEC trading relationship was the conclusion of the Commercial Cooperation Agreement between the two regions. The Agreement which is valid for an initial period of five years effective from April 1974 aims at development of commercial exchanges between the two regions on the basis of comparative advantage and mutual benefit. India's trade with the EEC region has been characterised by chronic and serious deficit balance of trade. A stable and mutually beneficial relationship can be brought about not only by the removal of tariff and non-tariff barriers but through more positive measures for commercial cooperation between the two regions.

The Agreement provides for the establishment of a Joint Commission to examine difficulties that hinder the promotion and diversification of mutual commercial exchanges.

Through negotiations, India has secured certain trade concessions from the EEC in the past. Before the enlargement of the EEC, the concessions that were secured included complete tariff suspension on black tea, and certain spices like pepper and so on. The Community also established quotas in 1968 for the import of handloom cotton fabrics, handloom silk fabrics and certain handicraft products. Higher quotas for the export of Indian cotton textiles to EEC were also secured under the bilateral arrangement finalised in 1969. Another important step that the EEC had taken by way of a trade liberalisation measure related to the introduction of Generalised Scheme of Preferences (GSP) effective from July 1971. Following the enlargement of the community, several negotiations were held on the question of safeguard measures in those areas of India's trade interest which would be adversely affected by the enlargement. An Agreement was signed in December 1973 on jute and coir products. The Jute Agreement envisages reduction in the common customs tariff for this item. The Coir Agreement provided for the reduction of common customs tariff on coir goods. Consequent upon the enlargement of EEC, dutyfree quotas in respect of cotton fabrics, silk fabrics and specified handicraft products were doubled. In spite of these liberalisation measures, many areas still remain where barriers to our export to EEC countries are to be dismantled. □

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INDO-MALAYSIAN SUGAR PROJECT

A Rs 194 million (M\$75 million) integrated sugar project, Syarikat Gula Negeri Sembilan Sdn. Berhad, a joint venture between Messrs Phaltan Sugar Works Ltd. 199, Churchgate Reclamation, Bombay, and the State Development Corporation of Negeri Sembilan State (Malaysia) was formally commissioned by the Prime Minister of Malaysia Tun Abdul Razak on February 28, 1975 at Ayer Hitam, about 90 miles South East of Kuala Lumpur. The integrated sugar project comprises of a sugar refining and processing unit with a crushing capacity of 2,500 tonnes per day and an annual production of 60,000 tonnes of refined sugar. The project covers an area of approximately 35,000 acres of which 18,000 acres have been cleared and 8,000 acres already planted with sugarcane. This is India's largest single joint venture project in Malaysia.

India's technical competence and expertise in the field of sugar machinery has been well recognised abroad in recent years. During the year 1973-74, sugar mill machinery

exports amounted to over Rs. 19 million as compared to Rs. 12 million in 1972-73 and Rs. 11 million in the year that preceded. The exports, in fact reached these levels, from only Rs. 0.50 million in 1965-66. Uganda, Federal, Republic of Germany, Nigeria, and Ghana are the significant importers of Indian sugar mill machinery.

The sugar mill machinery sector of India's engineering industry has developed a capacity to manufacture complete sugar plants of 1250-2000 tonnes per day capacity and even higher capacity. Some of the units in the field are even capable of manufacturing sugarcane diffusion plants. The licensed registered capacity of the industry is of the order of 20 complete plants per annum while for individual items of the machinery, it is of the order of Rs. 75 million in terms of value. The current effective installed capacity for the manufacture of sugar mill machinery, including complete plants is estimated at Rs. 250 million. The Industry has also achieved competence to undertake joint venture assignment abroad even in high capacity range.

During 1973 total production of the machinery was of the order of Rs. 200 million while in the preceding year, it was worth Rs. 180 million. The import content in the manufacture which was of the order of 10 percent in 1973 has further been reduced in the subsequent years.

EXPORT SUCCESS IN STEEL TUBES AND PIPES

Of the various iron and steel manufactures, steel tubes, pipes and fittings, have particularly revealed signs of export dynamism in recent years. The export value of these tubes and pipes more than doubled to about Rs. 243 million in 1973-74 from Rs. 112 million in the preceding year. Earlier, the export earning was about Rs. 108 million in 1971-72 and merely Rs. 106.6 million in 1970-71. During the first seven months of 1974-75 (April-October, 1974), the export value is estimated at Rs. 169.70 million against Rs. 66.50 million during the corresponding period in 1974-75.

In tune with this encouraging uptrend, M/s. Zenith Steel Pipes Ltd., (195, Churchgate Reclamation, Bombay), one of India's major exporters in the line, are expected to attain a record level of Rs. 70 million in exports of these products in the current year as against Rs. 58.80 million in the preceding year. The firm's exports are directed to about 45 overseas markets. The firm won the award of Engineering Export Promotion Council, Calcutta for outstanding export performance in 1971-72 and 1973-74.

Besides production of steel tubes and pipes, the firm has other divisions intended to diversify its range of products. The Zenith Rolls and Shears Division of the firm has entered into a collaboration arrangement with M/s. American Shear Knife Company (ASKO) for production of chipper knives for wood pulping industries, rolls for cold rolling mills, and shears and rolls for steel plants and metal working industries.

A mini steel plant, Zenith Alloy Steels, constitutes another division of the firm. The plant is reported to have the most up-to-date continuous billet making

machine of its kind capable of producing billets of all specifications in quality alloy steels. Zenith Engineering is yet another division of Zenith Steel Pipes Ltd. It is reputed for offering highly technical engineering services in relation to plant building, both in India and abroad with particular emphasis on the tube mill and machinery manufacture. The Zenith International Division is engaged in promoting overseas sale of quality Indian products.

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TECHNICAL ASSISTANCE TO FRIENDLY COUNTRIES

M/s. Engineers India Limited (EIL) has in recent year entered into foreign contracts with many a friendly countries and finalised details to extend technical assistance.

The firm entered into contracts with Iran, Iraq, Syria France and Netherlands for survey, design and detailed engineering as well as procurement services. The foreign exchange earned by the firm so far against actual billing is of the order of Rs. 0.61 million.

The firm deputed ten engineers and other personnel to visit abroad on various assignments and on different terms and conditions.

EIL, a public sector undertaking engaged in design and engineering Consultancy, has specialised in a number of fields, such as, petroleum refining, petro-chemicals, chemicals, fertilizers, and non ferrous metallurgy plants. To its credit, the firm has a number of domestic as well as overseas assignments in these fields.

EXPORT PERFORMANCE AND POTENTIAL

ENGINEERING EXPORTS TO BE DOUBLED BY FIFTH PLAN

The annual level of exports of engineering products from India is proposed to be doubled by the end of the Fifth Plan period (1973-74 to 1978-79) as compared to the expected exports in 1974-75. In order words, India's export trade in engineering goods is expected to improve to the tune of Rs. 5,000 million per year by the end of the Fifth Plan.

The quantity of engineering exports from the country is, however, a small percentage of the total production of the industry, which is estimated at about Rs. 215,000 million. Also in the global export of engineering goods in 1973-74, India's contribution was only 0.15 per cent. These facts indicate a considerable scope for increasing

the exports from India in the field. In a recent address to the Engineering Export Promotion Council, the Minister of Commerce, Professor D.P. Chattopadhyaya urged the engineering industry in the country to increase their export target for 1975-76 from Rs. 3000 million to Rs. 3500 million.

Certain measures taken by the Indian Government should facilitate engineering exporters to take advantage of the overseas demand potential for its products. For instance, towards the end of December 1974, the procedure for fixing the base price of steel on which value addition is to be secured by the exporters has been rationalised. The raw material requirements of manufacturer-exporters are being provided on a liberal basis. To overcome the difficulties on account of power shortage in some of the States, a scheme has been announced by the Government to enable manufacturers to import stand-by diesel generating sets. All these benefits to the engineering industry should enable it to spare increasing surpluses for the export purposes.

Besides physical exports, the engineering industry of India has also come to recognise its capacity to supply projects abroad. The possibilities to export capital goods, turnkey projects and construction services are particularly noticeable in the West Asia, South Asia and African countries. The Government of India have constituted a Project Export Committee to devise solutions for the problems faced by the project exporters in the engineering field.

India's exports of engineering products (excluding land route exports and those from minor ports) are estimated to have nearly doubled to Rs. 2007.50 million during the first three quarters of 1974-75 (April-December 1974) from Rs. 1087.10 million in the corresponding period of the preceding year. These figures have recently been released by the Engineering Export Promotion Council, Calcutta.

The increase during April-December 1974 has been registered both by capital goods as well as producer and consumer goods. The overall exports earning of capital goods during the period improved to about Rs. 498.30 million from nearly Rs. 331.50 million in the same period of 1972-73. The producer and consumer goods exports

revealed still more encouraging performance in April, December 1974. These rose sharply to Rs. 1509.20 million from Rs. 755.60 million in April-December, 1973.

With the single exception of wagons and coaches (including components and railway track materials) all other products contributed to export growth in the group of capital goods. The export value of industrial plant and machinery increased to Rs. 148.65 million from Rs. 88.30 million while heavy electricals fetched more at Rs. 72 million against Rs. 40.15 million. Among the specific industrial plant and machinery items, jute and textile machinery earned Rs. 63.60 million against Rs. 19.30 million; sugar mill machinery Rs. 26.20 million against Rs. 19.00 million and food processing machinery Rs. 13.75 million against Rs. 9.60 million. Cement machinery exports suffered a set back at Rs. 4.90 million in comparison to Rs. 9.15 million. Other plants and machinery exports including those of excavators, tractors and earth moving equipment again fetched more at Rs. 40.25 million against Rs. 31.20 million.

Fabricated steel structurals which constitute an important sector of the engineering capital goods earned more in foreign exchange at about Rs. 92 million in April-December, 1974 compared Rs. 63.10 million in the corresponding period of 1973. The export earning of individual products in this section during the two comparable periods was: transmission line towers Rs. 29.40 million and Rs. 11.85 million; boilers and parts (including pressure vessels) Rs. 22.25 million and Rs. 21.50 million; cranes and lifts Rs. 5.20 million and Rs. 3.85 million; and other structurals nearly Rs. 35 million and Rs. 23 million. Wires and Cables also constituted another major growth point. These were sold abroad at Rs. 107.40 million against Rs. 72 million. Similarly complete vehicles fetched Rs. 61.20 million against Rs. 32.15 million. Wagons and Coaches and railway track material, however, revealed a declining trend to Rs. 17.60 million from Rs. 38.70 million.

Among producer and consumer engineering goods, a large number of products witnessed sizeable increase in export earning during April-December 1974 over their performance in the corresponding period of 1973. Steel

pipes and tubes, for instance, witnessed over cent percent increase to Rs. 267.75 million from Rs. 102.50 million. Similarly bright bars secured Rs. 30 million against Rs. 12.80 million while ferrous hollow wares (including tin plate containers, G.I. buckets, steel ghamellas, steel trunks and crown corks) netted Rs. 20.50 million against Rs. 11.80 million.

Mild steel wire products which cover wire nails, netting, barbed wire, bolts, nuts, rivets, washers, wood screws, electrodes and welding rods nearly trebled their export value to Rs. 69 million from Rs. 23.50 million. A somewhat similar trend was noted in respect of wire ropes, sanitary castings as also forgings and industrial castings. Their offtake was of the order of Rs. 50.65 million, Rs. 49 million and Rs. 23.30 million respectively in April-December 1974 as against Rs. 14 million, Rs. 26.60 million, and Rs. 90 million in the corresponding period of 1973. The export performance of steel products including steel furniture, builders hardware, stainless steel utensils and cutlery, sanitary and water fittings, agricultural implements and razor blades was equally appreciable. These overseas supplies amounted to about Rs. 97.40 million against Rs. 39.25 million.

Among non ferrous products, aluminium products secured Rs. 17.20 million against Rs. 10 million; E.P.N.S. wares Rs. 25.45 million against Rs. 15.60 million and non-ferrous products (other than aluminium) Rs. 28 million against Rs. 20.40 million).

Of other products in the group of producer and consumer goods, auto parts nearly doubled their overseas offtake to Rs. 143.35 million from merely Rs. 74.20 million while bicycles and parts increased their export earning to Rs. 130 million from Rs. 93.40 million. The foreign exchange earning of machine tools was up at Rs. 47.90 million in comparison to Rs. 25.65 million. Similarly hand, small and cutting tools stepped up their export earning to Rs. 97.20 million from Rs. 54.15 million. Diesel engines, pumps and compressors exports rose sharply to Rs. 119.80 million from Rs. 42.40 million.

Electronic products including radio and parts, public address equipment and telephones and teleprinters, secured Rs. 75.80 million against Rs. 60.50 million. Storage batteries earned Rs. 27.70 million against Rs. 13.90 million; dry batteries Rs. 9.25 million against Rs. 4.40 million, sewing machines and knitting machines Rs. 14.45 million against Rs. 10.45 million; electric lamps and bulbs Rs. 19.15 million against Rs. 6.95 million; electric accessories and appliances Rs. 18.40 million against Rs. 9.20 million and scientific and surgical instruments Rs. 10.80 million against Rs. 4.85 million. Oil lamps and stoves, abrasives and grinding wheels, ball and roller bearings as also umbrellas and fittings were among the other products which revealed increase in the export earning during the first three quarters of 1973-74 as compared to that of the corresponding period in the preceding year.

EXPORT POLICY FOR LEATHER FOR 1975-76

The Government of India have been adopting a scheme of restriction on the export of semi-finished hides and skins with a view to placing greater emphasis upon production and export of leather in more and more finished forms. According to the scheme, annual quotas were fixed for individual exporters on the basis of their export performance during the five years, 1968 to 1972 paying due regard to transitional needs.

The quota scheme has been put into operation with effect from the year 1973-74. Government did not effect any reduction during the year 1974-75 because it was felt that infrastructural facilities could not be augmented within a short time. At the same time, Government urged the tanners to take speedy steps for creation of infrastructure.

Government have reviewed the entire position again with a view to formulating the policy for 1975-76. A large number of tanneries are taking steps for creation of infrastructure for production of finished leather, leather goods and footwear. While the export of semi-processed hides and skins in the current year, 1974-75, su-

ffered a decline owing to international conditions, export of finished leather, leather goods and footwear has still registered a satisfactory increase during the year. Government, however, note that a considerable backlog of stocks is left and production facilities for finished leather are just being augmented. In the circumstances, Government consider that the export of semi-processed hides and skins may be maintained at the same level in 1975-76 as in 1974-75. There is, however, no change or going slow in the policy of increasing production of finished leather and domestic industry is being directed to take more expeditious steps and efforts to accelerate the pace of change over.

The annual individual quotas fixed for the individual exporters will continue to be available at the same level as in 1974-75. All other conditions will continue to be in force as hitherto in the policy for 1975-76 also. Ten Per cent of the total quantity will continue to be reserved for non-exporting tanners and job tanners.

EXPORT OF WOOL AND WOOLLENS

India's wool and Woollen exports have been fast improving. Having reached Rs. 530 million in 1973-74, the exports are estimated to cross Rs. 620 million in 1974-75.

The wool and Woollens Export Promotion Council has recently awarded trophies to twelve outstanding exporters in the industry. Speaking at the award function, the Commerce Minister, Prof. D.P. Chattopadhyaya urged the country's woollen industry to diversify the composition of its exports; at present, hosiery and carpet sectors account for the lions share in the exports. Mr. S.G. Bose Mullick, Secretary (Export Production) stated that if the huge potential in general currency areas could be exploited, woollen exports could touch a figure of Rs. 1000 million in 1975-76 against the Rs. 600 million level now.

The twelve companies that received the Trophies were : M/s. Walker Anjaria and sons, Jamnagar; M/s. Gokalchand Ratanchand Woollen Mills, Bombay; M/s. Raymond Woollen Mills, Thana (Bombay); 7 M/s.

Sailesh Textile Industries, Bombay; M/s. Milton's Private Ltd., Bombay; M/s. Bimex International, Amritsar; M/s. Shree Krishna Woollen Mills, Bombay; M/s. Oswal Woollen Mills, Ludhiana; Ms/. P. K. Oswal Hosiery Mills, Ludhiana; M/s. Obetee Private Ltd. Mirzapur; M/s. Bharat Carpet Ltd., New Delhi and M/s. Bholi Industries, Amritsar. In addition to these companies, 18 firms were awarded certificates of merit.

FRESH ORDERS FOR EXPORT OF RAILWAY EQUIPMENT

During the year 1974, India has received orders from Canada and Newzealand for the supply of railway equipment. The Canadian Order was for the supply of three truck frames valued at Rs. 244,000. The delivery of these frames is expected to be completed within a year's time. The order received from New Zealand provides for the supply of fish bolts and nuts at a value of Rs. 300,000. The delivery of these items is to commence in February 1976.

Exports of India-manufactured railway equipment added up to Rs. 47 million in 1973-74 while in the current year (upto February, 1975) these exports rose to about Rs. 82 million. During April 74—February '75, Bangladesh which imported coaches at Rs. 42 million, constituted the largest buyer, followed by Yugoslavia which imported 257 wagons valued at Rs. 34.30 million. Thailand was also one of the important buyers for India-made railway equipment. A number of countries also imported spare parts from India during the year.

EXPORT TRADE IN BIDIS

Indian 'bidis' are being exported to more than 20 countries in the world. Some of the importing markets are Malaysia, Singapore, U.S.A., Switzerland, Nepal, Dubai, Qatar and Afghanistan. During 1973-74, 72

tonnes worth of bidis were exported to fetch foreign exchange value of Rs. 1.5 million. In 1972-73, 65 tonnes were exported at Rs. 1.4 million.

The Tobacco Export Promotion Council, Madras, has been undertaking a number of measures for the promotion of the export of tobacco and tobacco products including bidis. Consequently, the foreign exchange earning of tobacco industry in India has been rising from year to year. Total exports of the industry aggregated Rs. 709 million in 1973-74 against Rs. 639 million in the preceding year. Of the total export realisation in 1973-74, unmanufactured tobacco fetched Rs. 684 million while the share of tobacco products was Rs. 25 million. This compares with Rs. 610.70 million and Rs. 28 million respectively in 1972-73. Even during the first three quarters of 1974-75 (April—December 1974), these exports earned Rs. 707.30 million from over 30 overseas countries. Among these, U.K., U.S.S.R., Japan, Netherlands and Irish Republic were significant importers.

India's production of tobacco was of the order of 441,400 tonnes in 1973-74 as against 372,200 tonnes in 1972-73.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

FIGHTING INFLATION THE INDIAN WAY

Replying to the debate on the General Budget, India's Finance Minister Mr. C. Subramanian stated that the present difficult situation in which Indian economy was passing through had an international component as well as a national component. The international component is the instability that has come into the international monetary system which itself was the result of inflationary trend in various parts of the world. Added to that is price hike of petroleum crude and naturally all these have great impact on the Indian economy.

Coming to the national situation, various situations and challenges have been cropping up within the country since 1971. India was faced with the Bangladesh situation. From the economic point of view, India had to pay a heavy price for that. Then India had unfortunately drought after drought in successive years. And it was in this situation, the international inflation also came in and made an impact on the economy, so much so that inflationary spiral not only outstripped all the increases that have taken place during the last 20 to 25 years but it looked as if it would turn into a galloping inflation. Therefore, it was necessary, first of all, to stop this inflationary trend.

Inflation is being tackled on three fronts. The first is Government expenditure, State and Central. The Government is trying to contain deficit financing as much as possible. But in spite of all efforts in the current year, the Central Government will be facing a deficit of Rs. 6250 million. After taking into account Rs. 3300 million, the value of purchases of food grains and fertilizers, there is left Rs. 3000 million against the contemplated deficit of Rs. 1250 million. In planned expenditure, however it is not possible to cut down expenditure, particularly in the core sector, because it would be at the cost of future. Second comes private spending through banking sector, commercial credit for business and so on. There also the Govt. have strict measures with tight money and dear money policy. This is credit planning (not credit squeeze) so that the available credit goes to Priority areas. The third component is the private consumption with illegitimate money. Because of the various measures that have been taken, this is now under control. Smuggling activities, tax-evasion, hoarding, black marketing and so on have been brought under control.

There has been an apprehension that the external value of rupee is falling. In relation to the rest of the currencies, Indian rupee within the last six to eight weeks, has improved by one per cent; as against the dollar it has improved by 4 per cent during the same period. This shows that the measures taken by the Government have not only controlled the inflationary situation within the country but have also strengthened the value of the rupee externally.

In the long run, inflation can be contained in a healthy manner only by increased production, particularly of essential commodities required by the common man. The Budget for 1975-76 provides some directions for the purpose of strengthening the production where the essential commodities are concerned. It is necessary to have priorities particularly, when the resources are scarce. Food production and energy have been given the topmost priorities. As against the total increase of 23 per cent in plan expenditure, the increase in this sector alone is 45.9 per cent.

Naturally, it is not merely the allocation of resources which is important but how it will be deployed and how it is going to be reflected in the production. An efficient distribution system for essential commodities is absolutely necessary. In the same way, a rational distribution system in the case of the material inputs required by the farmer is also absolutely necessary.

With regard to the industrial sector, there are two points of view. One says that there should be no place for private sector in this. The other extreme is that public sector is an inefficient organisation and therefore, it should be purely private sector. These are the two extremes. India has taken a middle path. There is the Industrial Policy Resolution of 1954 which gives a place for the private sector, a private sector not without any control whatsoever, but with controls for the purpose of serving the society. In the present context of scarce resources, various measures have to be taken for the purpose of seeing that the priority industries are taken care of and the non-priority industries should stand in the queue for the purpose of credit for investment and even for raw materials. The Budget has attempted not only to identify the priorities in the industrial sector but to take various other fiscal and monetary measures also for the purpose of bringing direct investment in these vital sectors.

Then there is another factor. Unless a country exports and earns foreign exchange, it will continuously be in debt. Therefore, export has a right priority.

The main areas in which new excise duties and other indirect taxes have been levied are mainly where India wants to have more exports so that there may be less consumption. For example, on sugar, excise duty has been increased - on the non-levy part of it - so that when the production is going up - it has gone from three million tonnes to 4.5 million tonnes - it is not consumed fully in India. The more and more it is available, it will be used for export. The production of cement is increasing but there are various restrictions on its use so that it should be available for export.

INDIGENOUS MICROWAVE EQUIPMENT FOR EARTH STATION

India's second earth station, nearing completion near Dehra Dun is being fitted with indigenous microwave equipment, designed by the Indian Telephone Industries (ITI) Ltd. (Dooravaninagar, Bangalore), the public sector undertaking engaged in the manufacture of telephonic, telegraphic equipment and ancillaries. Significantly, similar equipment for the first earth Station at Arvi near Poona was procured through import

The equipment being supplied for the Dehra Dun Station has a 25 channel transmitter capacity while the receiver has 972 channels. It is also capable of establishing international TV links via satellites.

With the design and manufacture of such equipment, ITI is said to have joined the select band of sophisticated communication equipment producers.

The Research and Development wing of the ITI, Bangalore, has also made microwave system for transmission of 960 simultaneous conversations on one beam. The first one of this type is now working between Poona and Secunderabad. Another one is being installed between Indore and Bhopal.

Production of similar equipment is being taken up for installation between Indore and Ahmedabad, Patna and Katihar and Cuttack and Sambalpur. They are likely to be supplied during 1975-76.

The R and D wing of the ITI has, in fact, succeeded in developing a complete family of microwave systems,

employing the most modern technology and having even a higher channel capacity. A prototype, reported to have just finalised, has a capacity of 1800 simultaneous speeches on one beam. This is expected to go into production next year after field trials.

Set up way back in 1947, ITI's Bangalore unit has four Divisions. It manufactures automatic telephone exchanges of the strowger type of about 150,000 lines and automatic exchanges of Crossbar type of about 100,000 lines per year. In addition, about 250,000 telephone instruments and long distance transmission equipment of various types are also made. These include equipment for providing large number of telephone and telegraph circuits over open wires, coaxial cables, microwave radio and for satellite communication. It has also been manufacturing a wide range of electronic, measuring and testing instruments and the equipment to meet the special needs of Railways, Defence and Electricity Boards.

Besides the Bangalore unit, ITI has set up other units from its own knowhow. These include the component factory at Srinagar, the transmission factory and the telephone instruments factory at Naini, near Allahabad. Switching equipment factory at Rae Bareilly and a small electronic telephone exchange project at Palghat (Kerala) are also being set up by ITI. Except for some raw materials, not yet manufactured in India, most of the components used by ITI are indigenous. The import content in the total production is stated to be within 20 per cent.

INDIA'S PARTICIPATION IN FAIRS ABROAD

INDIA'S SUCCESS IN LEIPZIG FAIR

Contracts for supply of various Indian products worth Rs. 15.40 million were signed in the Leipzig Spring Fair, which was held from March 9 to 16, 1975. These contracts include a firm order worth Rs. 6.30 million for shoe-uppers, Rs. 3.20 million for canned fruits and juice and Rs. 9.10 million for crushed bones. In addition, several enquiries for the purchase of other Indian products were made, which are now being pursued.

The Leipzig Spring Fair is an important international trade event. India has been participating in this fair for the last two decades. This year, more than 80 Indian firms participated in the fair out of which nearly 60 firms displayed their products in the India pavilion organised by the Directorate of Exhibitions and Commercial Publicity of the Commerce Ministry. Other firms displayed their products in six different Commodity Halls.

The products displayed in India pavilion include non-traditional items like diesel engines, cables and wires, electric meters, hand tools and cuttings tools, bicycles, chemicals, tyres, vacuum flasks and leather goods. Display arranged in the Commodity Halls covered textiles, knitting machines, sanitary wares, chemicals and pharmaceuticals, jewellery, precious and semi-precious stones, spices, tea and tinned fruits, jute goods, footwear and handicrafts.

INDIAN TRADE EXHIBITION AT BANGKOK

Government of India, Ministry of Commerce, are organising an exclusive 'Indian Trade Exhibition' at Bangkok. The event is to be held at Bangkok, Thailand, from April 2-15, 1975. The Exhibition aims at projecting India's progress in selected fields to enable the entrepreneurs of not only Thailand but of the other South East Asian countries to explore the scope for collaboration with India.

The number of Indian firms participating in this Exhibition will be around 200. Of these, more than 125 are engineering units in the large and small scale sector. The items to be displayed include machine tools such as precision lathes, drilling and milling machines and machine tool accessories, hand and small tools, bicycles, diesel engines, agricultural equipment, forgings and castings, auto-parts, stainless steel articles, fans, electronic equipment, scientific instruments, refractories material, sports goods, paints, asbestos packing material, food products, liquors, drugs, textile dyes, precious and semi-precious stones, woollen fabrics, fire extinguishers, tricycles, saddles, electric irons, hearing aids and so on.

Thailand is in the midst of its Third Social Development Plan which envisages extensive development of infrastructure, expansion of education facilities, creation of industrial estates and modernisation of agriculture. Thus, it offers good prospects for Indian goods. Belonging, as it does, to a similar group of economies, India can offer its intermediate technology to Thailand and both the countries can usefully explore further avenues of cooperation.

Thai exports to India totalled Rs 55.1 million in 1972-73 while her imports from India were of the order of Rs.56.7 million in the same year. In 1973-74, however, the value of Indian exports was worth Rs. 92.2 million and her imports from Thailand were valued at Rs.18.1 million.

As for the supplies from India to Thailand, the major items in 1973-74 were cotton manufactures, metal manufactures, chemicals, iron and steel, machinery, transport equipment, medicinal and pharmaceutical products, cinematographic films and animal feeding stuff.

INDIAN TRADE EXHIBITION AT SEOUL

An exclusive Indian Trade Exhibition is scheduled to be organised by the Ministry of Commerce, Government of India, at Seoul, the capital of the Republic of Korea, from April 25 to May 6, 1975. This exhibition is expected to create new trade and industrial collaboration possibilities between the two countries.

More than seventy parties from trade and industry in India are participating in this exhibition. Of these, nearly forty-five will display their prestigious engineering items. Products which will be displayed include milling machine, precision lathe, drilling machine, electrical appliances, bicycles and bicycle parts, agricultural sprayers, teleprinters, T.V. sets, automobile parts, welding equipment, switchgears, tools, stainless steel utensils hand knitting machines, pipe fittings, the textile machinery, power cables, water meters, fire extinguishers etc. Other items to be displayed include refractory bricks, insulators, perfumery compounds, dhoop and abgrbattie, cosmetics,

toiletries, minerals and metals and chemicals and pharmaceuticals, handicrafts, spices, leather goods, linoleum, cashewnuts, tea, marine products and cigarettes.

India's export trade with the Republic of Korea totalled Rs. 60.30 million during 1973-74. In the same year, Indian import from that country amounted to Rs.2.5 million. The position of mutual trade in 1972-73 was different-Indian exports to the Korean Republic amounted to Rs. 12.6 million while her imports therefrom were of the order of Rs. 71.9 million.

The major items of Indian exports to South Korea during the last two years have been jute manufactures, salt, human hair, mica, natural gums and resins, cashew shell oil and non-electric machinery, railway equipment,

iron ore, pig iron, manganese ore and concentrate and mulberry silk waste.

TRADE WITH WEST ASIA

Trade between India and countries in West Asia including the Gulf countries has come to assume growing proportions in recent years. The West Asian countries are understood to comprise United Arab Emirates, Bahrein, Kuwait, Oman, Qatar, Saudi Arabia, People's Democratic Republic of Yemen, Yemen Arab Republic, Iraq, Lebanon, Jordan, Syria and Iran. The Trade between India and the West Asian countries during the last three years, 1971-72 to 1973-74 was as follows :—

Value in Rs. million

Name of Country	1971-72		1972-73		1973-74	
	Imports	Exports	Imports	Exports	Imports	Exports
	(1)	(2)	(3)	(4)	(5)	(6)
I. Gulf Countries :						
Abu Dhabi	Neg.	8.3	0.7	12.6	Neg.	34.4
Bahrein	3.0	35.5	3.4	31.1	69.4	88.9
Dubai	0.9	55.1	0.5	80.2	1.2	212.4
Kuwait	130.4	107.3	255.1	149.5	711.3	208.6
Oman	4.1	29.2	3.3	24.3	2.9	58.7
Qatar	Neg.	28.5	0.3	32.7	0.1	67.8
Iraq	35.6	100.0	66.0	109.8	612.4	199.8
Iran	1264.0	198.0	1215.0	248.00	2676.0	427.0
Total (Gulf countries)	1438.0	561.9	1544.3	688.6	4073.3	1297.8
II. Other Countries in West Asia						
Jordan	43.3	26.2	43.1	25.0	89.2	36.9
Lebanon	1.5	15.3	2.3	20.6	4.9	30.1
Saudi Arabia	383.4	111.3	448.3	121.4	1313.5	258.4
Syria	Neg.	17.8	Neg.	26.4	Neg.	25.4
People's Democratic Republic of Yemen (formerly Aden)	22.6	39.0	9.8	26.1	0.3	56.6
Yemen Arab Republic	Neg.	10.0	Neg.	21.1	Neg.	26.0
Israel	2.6	16.7	9.5	29.0	8.3	38.2
Total (Other countries in West Asia)	452.9	236.3	513.0	269.6	1416.2	471.6
Grand Total (I and II)	1890.9	798.2	2057.3	958.2	5489.5	1769.4

Due to geographic proximity and historic ties, there has always been mutual interest to promote trade and economic relations between India and the West Asian countries. The recent energy crisis has brought to focus the need to make full efforts to expand Indian exports to this region so that the mutual trade could be promoted in a balanced manner. In the West Asia region, India has concluded trade agreements with Iran, Iraq, Kuwait and Syria while negotiations are under way to conclude trade agreements with others also. Joint Commissions have also been set up with Iran, Iraq, United Arab Emirates and Kuwait for further promotion of trade and economic collaboration.

The idea of an Economic Union or a Common Market of the Indian Ocean countries was suggested by the Shahanshah of Iran during his recent visit to India. The Shahanshah and the Prime Minister of India agreed that there was scope for greater economic and cultural cooperation within the region as a whole covering the littoral countries of the Indian Ocean. The concept of Regional Economic Cooperation is also being developed under the Economic and Social Commission for Asia and Pacific countries (ESCAP). An Asian Clearing Union has already been set up of which the signatories are Iran, Sri Lanka, India, Bangladesh and Pakistan. There is a Trade Negotiations group under which participating member countries exchange request lists for tariff concessions required by them.

Commoditywise trade pattern between India and the West Asian countries is as follows : Indian Exports to *Abu Dhabi* improved from Rs. 12.6 million in 1972-73 to Rs. 34.4 million in 1973-74, while her imports from Abu Dhabi were negligible in these two years. The major items of Indian exports were steel tubes and pipes, whose export value was of the order of Rs 2 million in 1972-73 and Rs. 9.6 million in 1973-74. Among other items of export were metal manufactures (Rs 0.8 million in 1972-73 and Rs. 2.2 million in 1973-74); lime, cement and fabricated building materials (Rs 0.4 million and Rs. 2.3 million), electric machinery, apparatus and appliances (Rs 0.6 million and Rs. 1.5 million), inorganic chemicals (Rs 2.6 million and Rs. 1.4 million), textile yarn and fabrics (Rs. 1 million and Rs. 2.2 million) and non-electric machinery (Rs. 0.5 million and Rs. 0.6 million). Indian exports to the other

country in the United Arab Emirates, namely, *Dubai* improved from Rs. 80 million in 1972-73 to Rs. 212 million in 1973-74. In these two years, the most important items of export were iron and steel (Rs. 3.9 million and Rs. 24.8 million), cotton manufactures (Rs. 16 million and Rs 20 million), tea (Rs. 12.5 million and Rs 20 million), rice (Rs 6 million and Rs 16 million), electric machinery, apparatus and appliances (Rs 3 million and Rs 9 million), inorganic chemicals (Rs 3 million and Rs 7.5 million), machinery other than electric (Rs 2.8 million and Rs 3.5 million), transport equipment (Rs. 1.9 million and Rs. 2.7 million), metal manufactures (Rs. 3.4 million and about Rs. 7 million), spices (Rs. 2 million and Rs. 7.6 million), developed cinematographic films (Rs. 5.8 million and Rs. 4 million), perfumery and cosmetics (Rs. 0.9 million and Rs. 1.8 million). Indian imports from Dubai totalled Rs. 0.56 million in 1972-73 and Rs. 1.2 million in 1973-74, the major items of import being pearls and precious stones and aircrafts.

Besides export of commodities, India was also approached to supply its technical knowhow for certain products in the United Arab Emirates. A team from Metallurgical Engineering Consultancy Services Limited (MECON), Ranchi, have carried out a feasibility study for a sponge iron cum steel plant in Dubai. The help of the company has also been sought to conduct a study for a similar project in Abu Dhabi also. The Fertilizer Corporation of India is to send a technical team to U.A.E. to draw up feasibility reports for a fertilizer plant. There is a proposal to set up a joint venture project in Dubai for the manufacture of cylinders and tanks for liquid petroleum gas with the assistance of a Bombay firm.

Indian exports to *Bahrein Islands* also improved substantially in recent years. The export value rose from Rs. 31 million in 1972-73 to Rs 88.7 million in 1973-74. The principal items of export in these years were rice (Rs 1.4 million and Rs 33.5 million), textile yarn and fabrics (Rs 4.7 million and Rs 10 million), tea (Rs 4.1 million and Rs 9 million), spices (Rs 3 million and Rs 6.85 million), clothing (Rs 1.2 million and Rs 2.2 million), transport equipment (Rs 1.5 million and Rs 1.9 million), non-electric machinery (Rs 0.6 million and Rs 1.8 million), electrical machinery and apparatus

(Rs 0.5 million and Rs 1.6 million), metal manufactures (Rs 1.7 million and Rs 3.2 million), fruits and vegetables (Rs 3.2 million and Rs 3.4 million), Indian imports from Bahrein Islands totalled Rs 3.6 million in 1972-73 and 6.9 million in 1973-74.

Apart from the export of products, India is also in a position to supply knowhow to Barhrein. Certain negotiations are underway between Indian and Bahrein parties for undertaking turnkey projects as well as for setting up joint ventures in engineering and other fields.

To *Kuwait*, the major products exported by India were spices (Rs. 29.6 million in 1972-73 and Rs 46.8 million in 1973-74), iron and steel (Rs 5.3 million and Rs 13 million), electric machinery and apparatus (Rs 25.6 million and Rs 13.5 million), cotton manufactures (Rs 5.3 million and Rs 9.6 million), fresh and frozen meat (Rs 3.4 million and Rs 9.5 million), tea (Rs. 5.3 million and Rs 5 million), jute manufactures (Rs 13 million and Rs 3 million), metal manufactures (Rs 9 million and Rs 8.5 million), machinery other than electric (Rs 3.5 million and Rs 3.6 million), transport equipment (Rs 1.6 million and Rs 2.6 million), rubber manufactures (Rs 2 million and Rs 3.1 million), clothing (Rs 0.9 million and Rs 3.3 million), fresh and frozen vegetables (Rs 6.7 million and Rs 3.7 million), fruits and nuts (Rs 5.1 million and Rs 6.3 million), jewellery (Rs 3.6 million and Rs 3.3 million), non-electric machinery (Rs 3.5 million and Rs 3.6 million) and so on. Besides petroleum, the important items of import from Kuwait into India are manufactured fertilizers, organic chemicals and sulphur.

M/s Engineering Projects (India) Limited have been awarded a contract by the Kuwait Authorities for the terminal and cargo building, International Airport Project in Kuwait.

Indian exports to *Muscat and Oman*, which were of the order of Rs 24.3 million and Rs 58.7 million in 1973-74 among others comprise the following items, the export value of which in these two years respectively are shown within brackets: textile yarn and fabrics (Rs. 5.7 million and Rs 11.8 million) metal manufactures (Rs 1.8 million and Rs 7.5 million), iron and steel (Rs 10 million and Rs 6.5 million), furniture (Rs 1 million and Rs 5.5 million), transport equipment (Rs 1.5 million

and Rs 3.7 million), non-electric machinery (Rs 1.4 million and Rs 2.9 million), tea (Rs 0.7 million and Rs 2.8 million). Dry fruits including artificially dehydrated fruits were the major import items from Oman into India (Rs 3.0 million and Rs 2.8 million respectively) in the two years under review.

The major items that were responsible for the improvement in Indian exports to *Qatar* from Rs 32 million in 1972-73 to Rs 68 million in the subsequent year were iron and steel (Rs 0.8 million and Rs 11.4 million), textile yarn and fabrics (Rs 4 million and Rs 8.2 million), tea (Rs 9.3 million and Rs 8.2 million), metal manufactures (Rs 1.7 million and Rs 3.3 million), electric machinery and apparatus (Rs 2.8 million and Rs 3.5 million), transport equipment (Rs 1.7 million and Rs 1.6 million), spices (Rs 2.3 million and Rs 1.8 million), wood and cork manufactures (Rs 0.1 million and Rs 2.3 million), fruits and vegetables (Rs 1.3 million and Rs 2.2 million).

Exports from India to *Saudi Arabia* doubled in value from Rs 121.4 million in 1972-73 to Rs 254.5 million in the year that followed. The principal products that were responsible for this improvement in the total exports were spices (Rs 22 million and Rs 57 million), iron and steel (Rs 9 million and Rs 37 million), cotton manufactures (Rs 16 million and Rs 26 million), non-electric machinery (Rs 3 million and Rs 18 million), inorganic chemicals (Rs 3 million and Rs 15.5 million), metal manufactures (Rs 7 million and Rs 10 million), woven textile fabrics (Rs 2 million and Rs 17 million), manufactured tobacco (Rs 6.5 million and Rs 5.8 million), jute manufactures (Rs 3.6 million and Rs 5.3 million), fruits and vegetables (Rs 1.0 million and Rs 3.6 million), and electric machinery and apparatus (Rs 3.5 million and Rs 3.4 million). Besides petroleum and petroleum products, Indian imports from Saudi Arabia comprised manufactured fertilizers and organic chemicals

There are quite a few proposals for setting up joint industrial ventures in Saudi Arabia with Indian assistance. The potential areas in which joint ventures may take

shape include rubber projects and steel components, match boxes, bicycles and the setting up of oil refinery and fertilizer plant.

The value of Indian exports to *Iran* also witnessed substantial improvement from Rs 246.5 million in 1972-73 to Rs 426.8 million in 1973-74. The principal group of products supplied were cotton manufactures excluding yarn and clothing (Rs 2.3 million and Rs 5.5 million), jute manufactures (Rs 72 million and Rs 51 million)..., transport equipment (Rs 18 million & Rs 46 million), tea (Rs 37 million and Rs 46 million, iron and steel (Rs 16.6 million and Rs 33 million), copper (Rs 26 million and Rs 19 million), animal feeding stuff (nil and Rs 15 million), textile fabrics other than cotton and jute (nil and Rs 26.6 million), machinery other than electric (Rs 5.0 million and Rs 16.50 million), metal manufactures (Rs 24 million and Rs 13 million), electric machinery and apparatus (Rs 7.8 million and Rs 7.2 million), glass and glass ware (Rs 2.5 million & Rs 2.9 million), aluminium (Rs 6.6 million and Rs 7.5 million), iron ore (nil and Rs 2.6 million), textile yarn and thread (Rs 1.2 million and Rs 4.5 million), spices (Rs. 4.5 million and Rs 5.9 million), chemical elements and compounds (Rs 1.0 million and Rs 2.0 million) and paper and paper board (Rs 2.6 million and Rs 7.8 million). Apart from petroleum and petroleum products, most important items of import from *Iran* into India have been crude sulphur (Rs 27 million in 1972-73 and Rs 74 million in 1973-74), fruits and vegetables (Rs 10.5 million and Rs 24.4 million), chemical elements and compounds (Rs 0.4 million and Rs 4.3 million) manufactured fertilizers (nil and Rs 3 million), naphtha (nil and Rs 3.5 million) and so on.

The joint venture projects between Indian and Iranian parties either under implementation or under consideration are in the manufacturing fields of automotive spare parts and components, malleable castings, shock absorbers, steel rolling mills, textile plants and bright bars. Also, it has been recently decided to form a joint shipping line for Irano-Hind Shipping Company, with an initial capacity of 500,000 DWT to operate between the two countries. It has also been agreed to set up an aluminium plant with an annual production capacity of 300,000 tonnes in India with Iranian assistance. *Iran*

has also has agreed to finance the Kudremukh iron ore project in India to lift its entire production of iron ore.

The composition of Indian exports to *Iraq* include tea (Rs 37 million and Rs 53 million), non-electric machinery (Rs 13.4 million and Rs 23 million), iron and steel (Rs 3.6 million and Rs 30 million), veneers and plywood boards (Rs 5.9 million and Rs 19.8 million), electric machinery and apparatus (Rs 13.7 million and Rs 14.7 million), transport equipment (Rs 3.4 million and Rs 9.8 million), metal manufactures (Rs 3.3 million and Rs 5 million), rubber articles (Rs 4.9 million and Rs 6.8 million), coffee (nil and Rs. 6.3 million) and spices (Rs 0.6 million and Rs 3 million). Dry fruits constitute an important item of import from *Iraq* into India besides petroleum. The import value of fruits was Rs 42 million in 1972-73 and Rs 23 million in 1973-74. Sulphur and Naphtha are among the other products imported from that market.

Indian Exports to *Lebanon* have almost doubled during the two years, the exports value during 1973-74 being Rs 30.1 million against Rs. 15.3 million in 1972-73. The major commodities of exports during 1973-74, were precious stones Rs 6.3 million (Rs 8.0 million in 1972-73) ; textile yarn and fabrics Rs 4.9 million (Rs 1.8 million) ; fruit fresh and dried Rs 4.1 million (Rs 1.8 million) ; tobacco Rs 3.5 million (Rs 0.2 million) ; metal manufactures Rs 1.3 million (Rs 0.6 million) ; developed cinematographic films Rs 1.1 million (Rs 1.8 million) ; machinery Rs 1.1 million (Rs. 6.8 million) handicrafts Rs 1.1 million (Rs 0.4 million); motor vehicles Rs 0.7 million (Rs 0.6 million) & clothing Rs 0.6 million (Rs 0.9 million). Indian imports from *Lebanon* are limited to precious stones which were valued at Rs 0.5 million in 1973-74 (Rs 0.6 million in 1972-73)

Indian trade with *Syria* is mainly accounted for by jute goods exports from India to *Syria* : Rs 15.0 million out of Rs 25.4 million total exports to that country. Other items of Indian exports to *Syria* are machinery (Rs 3 million) ; tea (Rs 1.9 million) ; precious stones (Rs 1.0 million) ; transport equipment (Rs 0.8 million) and metal manufactures (Rs 0.8 million). Indian imports from *Syria* are practically negligible.

Trade between India and *Jordan* is more substantial. Exports from India during 1973-74 were at a level of Rs 36.9 million against Rs 25 million in 1972-73. The composition of Indian exports to Jordan during 1973-74 and 1972-73 was metal manufactures (Rs. 12.4 million and Rs. 5.7 million), tea (Rs. 12.6 million & Rs. 13.1 million), jute goods (Rs. 2.7 million and Rs. 1.0 million), machinery (Rs. 1.9 million and Rs. 0.3 million). Indian imports from that country in the two years were Rs. 89.2 million & Rs. 43.1 million respectively, almost exclusively made of rock phosphates.

Indian exports to *South Yemen People's Republic* (formerly Aden) improved from Rs. 26 million in 1972-73 to Rs. 56.6 million in the following year. Export of refined cane sugar which was nil in 1972-73 amounted to Rs. 25 million in 1973-74. Other Indian exports in these two years were spices (Rs 5.8 million and Rs 7.8 million) cotton manufactures, excluding yarn and clothing (Rs 6.6 million and Rs. 6.5 million), jute manufactures, (Rs. 2 million and Rs. 1.9 million) and cotton textile fabrics

(Rs. 1.3 million and Rs. 1.5 million). Exports of electrical machinery and non electric machinery were also substantial (Rs. 1.6 million and Rs. 0.9 million respectively.) As for Indian imports from this country, the value was negligible in 1973-74 while in the previous year the imports were worth Rs. 9.8 million, of which Rs. 6 million was on account of cotton import.

Yemen Arab Republic absorbed mainly textile yarn and fabrics, spices, plastic materials, clothing, unmanufactured tobacco, steel tubes and piping and metal manufactures in the years under review, while Indian imports from that market were negligible.

The West Asian market which in 1973-74 absorbed Indian products, worth about Rs. 1770 million, accounts for an approximate 7 per cent of India's total exports to the world market. It supplied goods worth Rs. 45490 million accounting for about one-fifth of India's import trade. □

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GLOBAL TENDER FOR DRILLING RIGS BAGGED

An export order valued approximately worth Rs. 1 million, won by M/S Voltas Limited, (127, Mahatma Gandhi Road, Bombay) from Iraq for the supply of 10 Vollam water well drilling rigs and other operating accessories and equipment amply proves the technical expertise and skill developed by India in the manufacturing field of drilling equipment. The firm bagged this contract in the face of stiff international competition from developed countries like U.S.A., U.S.S.R., and European countries.

The Groundwater Development Administration of the Ministry of Agriculture and Agrarian Reforms, Baghdad (Iraq) intends to make use of Indian drilling rigs for the exploration of underground water resources in the country. The Bombay firm hopes to secure even larger contracts not only for the supply of machinery

and equipment but for the development of highly specialised manpower and services in turnkey contract drilling operations.

The major breakthrough achieved by the firm in the field has already aroused interest in Asia, Far East and Africa where the research for underground water receives the highest priority. The firm intends to explore the export potential in this field in other countries as well. Towards the objective, the company has just signed another contract in free foreign exchange with the Government of Sri Lanka for the supply of Vollam Rigs at a value worth over \$ 0.25 million.

Besides physical exports, the firm believes in ensuring proper operation and maintenance of the drilling equipment. The company's engineers and technicians, it is stated, will conduct practical demonstration and training programmes at camp sites in Iraq and Iraqi engineers will be trained in India.

The waterwell drilling rigs of the Bombay firm are capable of drilling upto 450 metres. These

rigs are manufactured by its plant located at Thana near Bombay and are supplied by M/s Tata Exports Limited. These are mounted on Tata Chassis. The rigs are manufactured to withstand rough and arduous drilling conditions. Relatively simple to operate and maintain, the rig incorporates sophisticated features which make the rig versatile and economical for the user.

India's successful endeavour in the development of technical knowhow and expertise in the field of exploration of water resources has been well acclaimed abroad by now. Indian technology and equipment in this field is tailor-made to suit the geographical conditions in a large number of developing countries, particularly in Aisa, Africa and Far East. Already Indian firms are engaged in offering their engineering and related technical consultancy services to a number of countries abroad in this particular field.

MORE DEMAND FOR INDIAN CASTOR OIL ABROAD

India exported castor oil at a value of Rs. 271.10 million during 1973-74 as compared to Rs. 226 million worth during 1972-73. The exports in the preceding years were of the order of Rs. 61.80 million in 1971-72, Rs. 59 million in 1970-71 and Rs. 34.70 million in 1969-70. The quantum of overseas supplies during these years was of the order of 33,000 tonnes (1973-74), 45,700 tonnes (1972-73), 17,887 tonnes (1971-72) 15, 636 tonnes (1970-71 and 13,638 tonnes in 1969-70.

U.K., West European countries, U.S.A., Japan, Australia, U.S.S.R. and Czchoslovakia are the leading buyers of Indian castor oil. For instance, U.K. and the West European countries bought 14500 tonnes during 1973-74 at a value of Rs. 115.40 million. In the same year, USSR imported 3200 tonnes at Rs. 99.77 million, followed by USA at Rs. 27.30 million, Czechoslovakia at Rs. 14.90 million and Japan at Rs. 9 million.

Of the total export supplies of castor oil during 1973-74, 19225 tonnes worth Rs. 156.50 million found its wa

to General Currency Area while 13,775 tonnes at a value of Rs. 114.60 million was sold to Rupee Currency Area.

M/s State Trading Corporation (STC), is the agency through which the exports of commercial and BSS grades of castor oil were canalised in September 1971 and April 1973 respectively. During 1974-75, exports through STC were of the order of Rs. 177.10 million (26,318 tonnes). But, in 1973-74 the exports were much higher at Rs. 223.20 million (26,724 tonnes). During 1972-73 and 1971-72 the exports were of the order of Rs. 143.80 million and Rs. 33.60 million respectively.

The unit value realisation per tonne in export market has indicated a substantial growth during the preceding three year period. For instance, the unit value per

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TRADE TRENDS WITH LATIN AMERICA

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tonne realised during 1973-74 was Rs. 8500 as compared to Rs. 4946 per tonne, in 1972-73 and Rs. 3454 per tonne in the year that preceded.

Next to Brazil, India is the second largest producer of castor seeds in the world. During 1973-74, India's production of castor oil was estimated at 81,000 tonnes which registered a sizeable improvement over that of the preceding year at 49,000 tonnes. During 1971-72 and 1970-71 the output was of the order of 54,000 tonnes and 47,000 tonnes respectively. Prior to 1973-74 annual production in India was around 50,000 tonnes. Annual production of castor oil in the world is estimated around 200,000 tonnes.

EXPORT TRADE IN GEMS AND JEWELLERY

The estimated value of exports of gems and jewellery from India in the first three quarters of 1974-75 (April-December 1974) is of the order of Rs. 765 million. During 1973-74, the export value stood at Rs. 1085.60 million.

Diamonds account for more than 80 per cent of the export of gem and jewellery items while precious and semi-precious stones account for 15 per cent of the total exports. Balance is covered by the export of jewellery, pearls and synthetic stones. During 1973-74 the break up of the exports revealed that diamonds earned Rs. 861.90 million, precious and semi-precious stones Rs. 190.20 million, jewellery Rs. 26.10 million and pearls Rs. 7 million. In the first three-quarters of 1974-75, the break up was diamonds Rs. 612.60 million, precious and semi-precious stones Rs. 115 million, jewellery Rs. 29.8 million, pearls Rs. 6.9 million.

There has been a remarkable growth in the export of cut and polished diamonds from India for the last few years. These have steadily risen from Rs. 24.30 million in 1963-64 to Rs. 861.90 million in 1973-74. The main countries to which Indian diamonds are exported are U.S.A., Japan, Belgium, Hongkong and Netherlands.

The gem and jewellery exports picked up from Rs. 114 million in 1963-64 to Rs. 314.7 million in 1970-71, Rs. 743.60 million in 1971-72 and Rs. 1085.60 million in 1973-74.

EXPORT PICTURE OF MMTC

The value of iron ore exports effected by Minerals and Metals Trading Corporation of India was of the order of Rs. 801 million (nine million tonnes) during 1974-75 (during the first eleven months). In 1973-74 MMTC's exports of the ore totalled Rs. 922 million (12.6 million tonnes). In 1972-73 the value was Rs. 694 million (10.57 million tonnes). The Corporation's export trade of the ore would have been more during 1974-75 but for the production shortfall at Bailadilla as well as inadequate rail movement.

MMTC's manganese exports, however, grew from year to year. They were valued at Rs. 93.5 million (0.9 million tonnes) in 1972-73, Rs. 103 million (0.83 million tonnes) in 1973-74 and Rs. 153.4 million (0.95 million tonnes) during the first eleven months of 1974-75.

The Corporation's export effort in respect of ferro-manganese amounted to Rs. 67.5 million in 1972-73 but gradually slipped down to Rs. 61.20 million in 1973-74 and Rs. 53.70 million in the first eleven months of 1974-75. The fall in export has been attributed to fall in production as a result of shortage of power and electrode paste.

MMTC's export trade in coal has witnessed encouraging trends in the first eleven months of 1974-75 when the value of export improved to Rs. 64 million (0.43 million tonnes) as compared to Rs. 32.8 million (0.38 million tonnes) in 1973-74. Coal exports would have been higher but for the limited allocation of the mineral for exports.

India's exports of iron ore and concentrates totalled Rs. 1328 million in 1973-74 while manganese ore and its concentrates earned Rs. 90 million in foreign exchange. In the same year, the export value of ferro manganese and coal (including coke and briquettes) amounted to Rs. 3084 million and Rs. 30 million respectively.

RESUMPTION OF SHIPPING SERVICES BETWEEN INDIA AND PAKISTAN

A Trade Agreement has been signed by the Government of India and Pakistan on January 23, 1975 valid

for a period of one year. The Agreement provides for trade between the two countries being conducted on Government to Government basis or through Government controlled trade corporations of the two countries and that payments therefor would be made in freely convertible currencies in accordance with the foreign exchange regulations in force from time to time. The two Governments have further decided that the banking transactions arising out of such trade transactions concluded on or after January 23, 1975 may, for the present, be confined to the State Bank of India in India and the National Bank of Pakistan in Pakistan. Suitable agency arrangements have been entered into between these two banks for this purpose and certain branches of these banks viz, the Main Branches in Bombay, Calcutta, Madras and New Delhi have been specifically authorised under these arrangements to undertake export/import and other transactions incidental thereto. As trade between the two countries gathers momentum, the above arrangements will be reviewed at a latter date with a view to considering the inclusion of other authorised in the financing of this trade.

All remittances to Pakistan by Indian shipping companies to meet expenses incurred in that country on account of port disbursements, bunker charges, local taxes, etc. may be made by the designated branches of the State Bank of India in accordance with the arrangements set out in the agency agreement concluded with the National Bank of Pakistan, after complying with the exchange control regulations applicable to such remittances. Likewise, all inward remittances from Pakistan receivable by Indian shipping companies by way of repatriation of their surplus freight collections, refund of taxes, etc. should be received in conformity with the above arrangements. Remittances of Pakistani shipping companies to India to meet local expenses as well as repatriation of their surplus freight collections, etc. in India to Pakistan will be similarly made through the designated branches of the State Bank of India and the National Bank of Pakistan under the agency agreement.

INDO-NETHERLANDS TRADE PROMOTION

The first session of the Indo-Netherlands Joint Committee was recently held in India. The main points

that were discussed at the meeting related to the Netherlands' centre for promotion of imports from developing countries and the assistance that the centre would provide to the developing countries like India. The question of Indian industry considering the possibility of meeting some of the requirements of the Netherlands governmental purchases was also discussed. Possibilities of promoting direct exports to the Netherlands from India were considered too. The items which have export potential include tea, canned and processed foods, oil cakes, leather engineering and chemical items. Items for import would include shipping and dredger components. The possibility of collaboration between the two countries in areas such as electronics, shipping/dredgers, aircrafts were also discussed and the scope for promoting Indo-Netherlands cooperation in industrial ventures in third countries was considered.

Indian exports to Netherlands amounted to Rs. 708 million in 1973-74 as compared to Rs. 354 million in 1972-73 and Rs. 147.6 million in 1971-72. In these years Indian imports from Netherlands aggregated Rs. 543.2 million and Rs. 366.9 million and Rs. 305.9 million. Thus the balance of trade which was adverse against India in 1971-72 and 1972-73 to the tune of Rs. 158.3 million and Rs. 12.9 million respectively turned to be in favour of India in 1973-74 to the extent of Rs. 164.8 million. The favourable trend of trade balance continues during 1974-75; in the first seven months of this year (April—October 1974) Indian exports totalled Rs. 335 million while her imports from Netherlands amounted to Rs. 263.3 million thus leaving a favourable balance for India of Rs. 71.70 million.

During 1973-74, the major items of Indian supplies to the Netherlands were oil cakes (Rs. 224.6 million), tea (Rs. 101 million), pearls and precious stones (Rs. 52.5 million), leather (Rs. 24 million), cotton manufactures excluding thread and clothing (Rs. 17.8 million), cashew kernels (Rs. 10.8 million), coffee (Rs. 16.5 million), readymade garments (Rs. 29 million) crude vegetable materials (Rs. 8 million), works of art (Rs. 9 million) dyeing tanning and colouring materials (Rs. 9.9 million), coir yarn (Rs. 8.7 million), floor coverings (Rs. 4.7 million) spices (Rs. 3.4 million), machinery other than electric (Rs. 2.5 million), electrical machinery (Rs. 2.3 million), chemical elements and compounds (Rs. 7.7 million), metal manufactures (Rs. 7.0 million).

Major items of import from Netherlands into India in the same year were manufactured fertilizers (Rs. 137 million), machinery other than electric (Rs. 99 million), electrical machinery, apparatus and appliances (Rs. 56 million), chemical elements and compounds (Rs. 46 million), iron and steel (Rs. 27 million) transport equipment (Rs. 23 million), mustard oil (Rs. 31 million) and so on.

INDUSTRIAL DEVELOPMENT AND DEVERSIFICATION

ESTIMATES OF NATIONAL INCOME

Quick estimates of national income for the year 1973-74 at constant prices (1960-61) prepared by the Central Statistical Organisation of the Ministry of Planning, Government of India, revealed an increase of 3.1 per cent over the previous year against a fall of 0.9 per cent in 1972-73 over 1971-72. The net national product (national income) for India in 1973-74 has been estimated at Rs. 197,240 million at 1960-61 prices with a per capita income of Rs. 340.10.

The per capita income has increased from Rs. 337.5 in 1972-73 to Rs. 340.1 in 1973-74 at constant prices. The per capita income, however, touched Rs. 351.8 in 1971-72 and slipped down to Rs. 348.4 in 1971-72.

At current prices the quick estimates of net national product for India stood at Rs. 492,900 million in 1973-74 giving a per capita income of Rs. 849.8. In 1972-73 the net national product at current prices was of the order of Rs. 395,920 million giving a per capita income of Rs. 698.3.

The population estimates for 1973-74 were placed at 580 million as compared to 567 million in 1972-73.

ON RUBBER INDUSTRY

The area under rubber in India is 0.22 million hectares, while the world area under rubber cultivation is estimated at 5.95 million hectares. Malaysia accounts for 2.02 million hectares or 34 per cent of the world area.

Until recently India has been importing large quantities of rubber to meet a part of its demand, but with the development schemes in rubber, it has become possible not only to increase the production of the item but ban its imports since April 1973.

India's rubber production has increased from 58,330 tonnes in 1965-66 to 125,153 tonnes in 1973-74. The production estimated for the year 1974-75 has been placed at 131,000 tonnes. The target rubber output by 1978-79 has been fixed at 201,000 tonnes.

In view of the encouraging trends in production the State Trading Corporation of India was authorised to export 5,000 tonnes of natural rubber, out of which a quantity of 3050 tonnes has already been exported during 1973-74 and 1974-75.

In addition to the production of natural rubber at an estimated 131,000 tonnes in 1974-75, against 125,153 tonnes in 1973-74, the production of synthetic rubber has been estimated at 18,000 tonnes in 1974-75 against 23,459 tonnes in the preceding year. Thus the total production of rubber including natural and synthetic varieties has been estimated at 149,000 tonnes in 1974-75 as compared to 140,612 tonnes in the previous year. Several schemes are being operated for improving the production of natural rubber in the country. The Rubber Board offers assistance to rubber growers in manifold manner through grants or subsidy for replanning old and low yielding rubber treated trees with high-yielding planning materials, grant of loans for expanding existing holdings to economic units, distribution of high yielding planting material, distribution of fertilizers and fungicides on concessional rates, grant of loans to cooperative societies for purchasing and distributing rubber rollers for processing rubber, free technical advice to growers on all aspects of rubber cultivation and processing. The Rubber Board (Kottayam, Kerala State) is also operating a scheme for setting up a pilot project in Andaman Islands and technical feasibility of rubber cultivation.

COTTON TEXTILE INDUSTRY—A SPOTLIGHT

Enchanting colours, superfine texture, modern designs and economic prices are the special characteristics

tics of Indian cotton textiles which are not only in growing demand in the home market but also in sophisticated markets abroad like the U.S.A., U.K. and U.S.S.R. One of the oldest and the largest manufacturing sectors of the Indian economy, the cotton textile industry has earned a name for itself as a major foreign exchange earning industry. Today, India ranks the World's second in terms of spindles, next only to the USA. It is the third largest exporter of cotton textiles after Japan and Hong Kong. It is also the fourth largest consumer of cotton in the world, the first three being China, USA and U.S.S.R. India has the largest area under cotton cultivation in the world, accounting for more than one-fourth of the total land area under the crop in the world.

In the decentralised sector, during 1973, total cloth production was of the order of 7771 million metres as against 8022 million metres in 1972. In the total output of cotton cloth during 1973, the sector accounted for 4169 million metres against 4245 million metres in 1972 while the share of handloom and power loom cloth was of the order of 3602 million metres (1973) against 3777 million metres (1972). Thus, during 1973 the respective shares of mill sector and handloom and powerloom sectors were of the order of the 45 per cent and 46 per cent as compared to 53 per cent and 47 per cent respectively in 1972.

The Industry's production of cloth in the mill sector registered an improvement of 2.8 per cent during 1974 at 4287 million metres over the preceding year's output of 4169 million metres. The year 1957 was the land-mark in the history of production of cotton textiles in India when the output attained a record level of 4862 million metres. The output rose to these levels from only 3725 million metres in 1951. The output of cotton yarn attained the highest level during 1974 at 1009 million kgs. It was 998 million kgs in 1973. During 1951, it was of the order of only 591 million kgs. Unlike the output of cotton cloth, the production of cotton yarn registered consistent uptrend way back from 1951 till 1974.

While the share of coarse and lower medium cotton cloth in the total output of cloth declined from 49.4 per cent in 1951 to 45.2 per cent in 1973 that of fine and superfine varieties rose from 8.4 per cent to 17.4

percent. During the same period, the share of medium variety in the total cloth production declined from 42.2 per cent to 37.4 per cent.

The infrastructure of cotton cloth industry in India comprised of 689 mills as on 1st January 1974. Of the total mills, 401 mills were in the spinning sector and 288 were the composite mills. Installed spindles and installed looms were of the order of 18.49 million numbers and 205765 numbers. The mills are scattered over 16 States and 3 Union territories. Tamil Nadu State has the largest number of mills (212), followed by Gujarat (117), Maharashtra (107), West Bengal (40), Uttar Pradesh (36), Andhra Pradesh (33), Karnataka (30), Kerala (28), Madhya Pradesh (23) and Rajasthan (21). Besides, Punjab, Orissa, Haryana, Jammu and Kashmir, Bihar and Assam States and Union Territories of Delhi, Goa and Pondicherry have also comparatively small number of mills. Despite the fact that Gujarat State tops the list of States in terms of largest number of mills, Maharashtra State has the largest number of spindles installed (4.75 million spindles), followed by Tamil Nadu (4.31 million), Gujarat (3.72 million), Uttar Pradesh (1.05 million), West Bengal (0.94 million) and Karnataka (0.71 million). Maharashtra also leads in respect of number of looms installed (77,838), followed by Gujarat (61,985) and Uttar Pradesh (13,403). Among other States, Madhya Pradesh, West Bengal, Tamil Nadu and Karnataka are significant. Thus the Indian cotton industry is largely concentrated in Maharashtra, Gujarat and Tamil Nadu. Though India's cotton textile industry accounts for about 13 per cent of the total world spindelage, its share in the world loomage is only 7.5 per cent.

The installed capacity of the industry stands at 18.40 million spindles; the number of spindles in operation in 1973 was 13.48 million. Thus, the capacity utilisation ratio in the industry stood at 73.3 per cent. However, during 1967, the capacity utilisation was higher at 78 per cent. The capacity utilisation in terms of loomage stood at 73.1 per cent (1973) against 69.3 per cent (1972).

During the complete year of 1973-74, total production of cotton in India was estimated at 5.8 million bales (1 bale=180 kgs) which registered an improvement

of 5.7 per cent over that in the preceding year at 5.49 million bales. During 1972-73 an area of 19.04 million acres was under the cotton crop as against 19.27 million acres in 1971-72. It has been estimated that about 8 million bales of cotton is required for achieving 90 per cent utilisation of the present installed capacity. The highest production was achieved in the year 1971-72 at 6.56 million bales.

The country's requirements of long staple cotton were being met through imports earlier. The indigenous production of this variety in recent years has helped the country to avoid imports of the variety. Notwithstanding self sufficiency achieved in respect of long staple cotton variety, India has to depend on external sources for supply of medium and short staple variety.

The Industry has been earning growing volume of foreign exchange from year to year, though the quantum of overseas supplies indicated a trend towards decline. Obviously, this could be possible owing to more unit value realisation. In recent years, inflationary tendencies in the world and about fourfold increase in the prices of crude and petroleum products have helped the Indian cotton textile industry to push up its exports in terms of value. While the prices of cellulosic fibres and man-made fibres bound on petroleum rose sharply in the world markets, cotton prices shot up at a much fair rate owing to tight supply position in the world.

During 1973-74, India's total exports of man-made cotton textiles were of the order of 2525 million which accounted for around 10.5 per cent of the country's total export trade during the year. During 1972-73 the industry's export value at Rs. 1583.40 million had contributed over 8 per cent to the country's total exports. The industry's exports rose to these levels from only Rs. 522 million in 1961-62.

MODERNISATION OF WOOLLEN INDUSTRY

With a view to expanding and modernising the units in the woollen industry in the country, the Government of India have been formulating certain schemes

such as the expansion of priority units in the worsted sector, vertical integration and modernisation of hosiery units, creation of additional combing capacity and integration of shoddy spinning units.

The existing installed capacity in the various sectors of the woollen industry in the country is as follows: 38.8 million lbs. for wool combing and 3.6 million lbs per year of synthetic combing, 20818 worsted spindles, 3867 power looms, 1100 hosiery units, 155 yarn processors, 24423 shoddy spindles and 114500 woollen spindles. In the handloom sector, there are 250 shoddy and worsted units and 20,000 units of indigenous wool.

In the worsted sector, priority units have witnessed sizeable expansion. The capacity of seven such units is sought to be improved by 1200 worsted spindles and 20 powerlooms each. Similarly, in the shoddy sector also two priority units have been recommended for substantial expansion of shoddy spindleage. In the woollen sector expansion of 85,900 spindles has been permitted while in the combing sector an additional 25 million lbs of combing capacity has been licensed.

ON INDIAN CASHEW

Cashew constitutes an important cash crop of India and its export including (cashew nut shell liquid) totalled Rs. 751.40 million during 1973-74. After excluding amounts spent on import of raw cashew nuts, the net foreign exchange earning during the year was of the order of Rs. 446.20 million. In the ten months of 1974-75 (April '74—January '75) exports of cashew kernels are estimated to have crossed Rs. 1040 million.

In terms of quantity, the export of cashew kernels stood at 52,323 tonnes in 1973-74 and 57,267 tonnes in the first ten months of 1974-75.

While the indigenous availability of raw cashew on an average is at the rate of 60,000 tonnes per annum bulk of raw cashew requirements (about 170,000 tonnes per year) is having to be imported. The major suppliers have been Tanzania, Mozambique and Kenya.

Import of cashew nuts into India is cannalised through the Cashew Corporation of India, a subsidiary of the State Trading Corporation of India.

MECHANICAL NASAL FILTERS

National Research Development Corporation of India 61, Ring Road, New Delhi offers technical know-how for the manufacture of nasal filters for treatment of allergic disorders caused by inhalants.

The nasal filter, developed by the All India Institute of Medical Sciences, New Delhi, prevents antigens which cause allergic disorders, from entering the human body. These filters are made by mounting stainless steel wire gauge on a frame made of methyl methacrylate. The size of the frame is adjusted to fit inside the nostrils. These filters have been tried on patients suffering from various types of allergic disorders and have proved quite effective.

The use of nasal filters saves the patients from the side effects of medicines. As the filter is made of stable materials, it can be washed with soap and water so as to prevent clogging of the wire.

The nasal filter can also be used on a large scale for workers in textiles, paper and coal industries where health hazards are caused by inhaling of dust and other particles.

The raw materials required for production of the nasal filter are available indigenously.

RECORD PRODUCTION IN ZINC, LEAD AND SILVER

Hindustan Zinc Limited, Udaipur, is now poised for an all time record output of zinc during the year 1974-75. In the first 11 months (April 74-February 1975), output of zinc was 12,200 tonnes. Including the estimated production during the month of March, the total production is expected to exceed the present

record of 12,251 tonnes, which was set up three years ago.

The public sector unit is also expected to achieve all-time records in the production of ore and cadmium. The output figures for these items during the 11 months of April 74 - February 1975 are : zinc ore - 545,556 tonnes (as against the present annual record output of 446,343 tonnes achieved during 1973-74) and cadmium-44 tonnes (as against the present annual record output of 32 tonnes during 1969-70).

Hindustan Zinc Ltd's smelter at Udaipur now has a capacity of 18,000 tonnes of zinc per annum with facilities for production of cadmium and sulphuric acid as by-products. The acid is used by the Company for the production of single superphosphate fertiliser. The capacity of the zinc smelter is being expanded from 18,000 tonnes to 45,000 tonnes per year with corresponding increase in the output of by-products. The expanded smelter is likely to be commissioned during 1976-77. Ore for the plant comes from the lead-zinc mines in the Zawar area of Rajasthan where new mines are now being opened up to meet the requirements of the expanded zinc smelter. Work is also in progress to get additional supplies of rock phosphate from the nearby mines at Maton in order to step up the output of superphosphate.

Hindustan Zinc Limited will also establish new all-time records during this financial year for the production of lead and silver at its lead smelter located at Tundoo in Bihar. This smelter is based on lead ore supplies sent from the Zawar area of Rajasthan and silver is produced as a by-product. The smelter has been partly modernised and production went up to 456 tonnes of lead in December 1974 against the monthly rated capacity of 300 tonnes. Even in the first 11 months of 1974-75, lead production totalled 3,764 tonnes (exceeding the present annual record output of 2,892 tonnes during 1972-73) and silver production totalled 5,412 kilograms (exceeding the present annual record output of 4,692 kilograms during 1972-73). Plans have been drawn up to modernise the Tundoo smelter further so as to achieve an annual lead production of about 6,000 tonnes.

Meanwhile, work is in progress on the new 30,000-tonne per annum zinc smelter at Visakhapatnam in Andhra Pradesh. The complex will also include a lead plant with a capacity of 10,000 tonnes per annum. The project is expected to be commissioned by 1976-77.

INDIGENOUS POWER ELECTRICS FOR GRAPHITE PLANT

Adding to the number of industries in India already equipped with indigenous power electrics, a graphite plant in the country is also to be equipped for the first time with power electrics made by Bharat Heavy Electricals Ltd., (BHEL), Bhopal. The plant is being set up at Mandideep, Near Bhopal, by M/s. Hindustan Electro Graphites Ltd., New Delhi, in technical collaboration with a French firm.

The scope of supply by BHEL, valued at Rs. 10 million, includes three sets of 55,000 amps. 150 volt DC Rectifier equipment with controls. The rectifier equipment will be of rectiformer type which is a unit construction with rectifier transformer and rectifier cubicle mounted very close to each other. The rectifier will receive AC power at 33,000 volts and will convert it into DC power to feed the graphite furnace.

Graphite is used for making electrodes required in mini steel plants and caustic soda industry. The Mandideep graphite Plant is expected to go a long way to augment graphite supply in the country. On completion, the plant will produce about 25,000 tonnes of graphite every year.

USE OF NUCLEAR MEDICINE GAINS POPULARITY

A significant advance in nuclear medicine in recent years is the increasing use of short half-life generator-produced radio nuclides. This makes it possible to image the brain, thyroid, lungs, liver, spleen, kidneys, bones, heart and placenta by radio nuclides.

About 54 radio-pharmaceuticals for medical uses are currently being supplied by Bhabha Atomic Research

Centre, Bombay. These include a wide variety of primary radioisotopes and labelled compounds of these radioisotopes.

Most of the basic equipment for detection of radio activity in vitro and in vivo is available from local sources e.g. scintillation detector, gamma spectrometer, renogram set-up liquid scintillation counter etc.

Nuclear medicine can offer immense help in solving clinical problems, e.g. malabsorption syndrome, tropical eosinophilia, goitre, malnutrition, leprosy and tuberculosis.

The Radiation Medicine Centre of the Bhabha Atomic Research Centre is now recognised as a Regional Reference Centre for Nuclear Medicine in South-East Asia by the World Health Organisation/International Atomic Energy Agency.

The Centre conducts various academic programmes to train doctors in nuclear medicine to enable them to establish nuclear medicine in their own institutions.

ANOTHER CARGO SHIP AT HINDUSTAN SHIPYARD LIMITED

M.V. "Jag Dhir" 21,800 tonnes deadweight, multi-purpose bulk carrier, yet another big vessel so far built in India, will be launched shortly at Hindustan Shipyard Limited., Visakhapatnam. This ship is the second of the series, so far being constructed for the Great Eastern Shipping Company, Bombay, in Hindustan Shipyard Limited. Keel for this vessel was laid on 28th January, 1974.

M.V. Jag Dhir is a highly automated vessel and third of its kind to be built in Hindustan Shipyard. She is designed to operate with engine room unmanned, facilitating use of minimum crew. She will be fitted with a 18 cylinder V type single acting, 4 stroke direct reversible trunk pistons, turbo-charged medium speed marine diesel engine of OEW-SEMT-PIEL STICK make developing 9000 BHP (metric) at 520 RPM. She will attain a speed of 16 knots in the fully loaded condition.

This is the sixtyeighth ship to be launched from the slipways of Hindustan Shipyard. The Shipyard has so far constructed and delivered 64 ships of different sizes,

including small crafts aggregating over 551,430 tonnes deadweight. Another Cargo liner M.V. Indian "ENDURANCE" of 13,400 DWT is ready for delivery.

TRADE FAIRS AND EXHIBITIONS ABROAD

TENTATIVE PROGRAMME OF INDIA'S PARTICIPATION IN FAIRS ABROAD

<i>Name of the Fair</i>	<i>Dates</i>
Faire de Paris, Paris	April 26-May 11, 1975
Milan International Fair, Milan	April 14-25, 1975
Brussels Trade Fair, Brussels	April 26-May 11, 1975
Textile Show in Toronto & Montreal	Proposal under consideration
Zambia Trade Fair, Ndola	July 3-8, 1975
Zagreb Autumn International Fair, Zagreb	September 12-21, 1975
Tehran International Fair, Tehran	September 13-24, 1975
New Zealand International fair, New Zealand	August 20 to September, 6, 1975
Poznan Consumer Goods Fair, Poznan	September 7-14, 1975
Baghdad International Fair, Baghdad.	October 1-21, 1975
Frankfurt Spring International Fair, Frankfurt	February, 1975
Leipzig Spring International Fair, Leipzig.	March 1976
Cairo International Fair, Cairo,	March 1976
Tripoli International Fair, Tripoli	March 1976
Indian Exhibition, Caracas	Dates to be fixed
Indian Exhibition, Brazil	-do-
Indian Exhibition, Gabon	-do-
Indian Exhibition, Jeddah	-do-
Indian Exhibition in Persian Gulf Areas	-do-
Indian Exhibition in Kabul	-do-
Indian Exhibition Hongkong	-do-
Indian Exhibition of Engineering Industries, London.	-do-
Indian Exhibition, Mali (Maldives)	Proposal under consideration.

MILAN INTERNATIONAL FAIR

As a measure of export promotion measure, the Government of India, Ministry of Commerce, are participating at Milan International Fair, (Italy), scheduled to be held during April 14-25, 1975. In addition to arranging a collective display of India's traditional and non-traditional exportable products in the India Pavilion at the fair, retail sales in the respective sectors of the Fair will also be undertaken.

The products of about forty Indian firms will be exhibited at the India Pavilion. The items to be displayed include hand tools, hacksaw blades, twist drills, circuit breakers, fluorescent tubes, batteries, flashlights, hand-knitting machines, stainless steel utensils, bicycles & bicycle parts, autoparts, vacuum flasks, handicrafts, jewellery, imitation jewellery, readymade garments, silver plated items, foam-leather cloth, coir products, cotton textiles and spices.

The trade between India and Italy has been expanding, though major items of India's exports continue to be traditional. Notwithstanding this trend, of late India's non-traditional products (engineering) have also created a demand of their own in the Italian market and the export of these products could be further stepped up.

India's exports to Italy during 1973-74 aggregated to Rs. 683.7 million as against Rs. 488.5 million in 1972-73 while India's imports from Italy during 1973-74 were of the order of Rs. 490.8 million as against Rs. 359.4 million in the corresponding period of 1972-73.

INDIA PAVILION AT CAIRO FAIR POPULAR

The Indian Council of Trade Fairs and Exhibitions, Bombay, have arranged India's participation at the Cairo International Fair which commenced from March 10. The Fair will last till end of March, 1975. Fifty Indian firms and exporting organisations are taking part in it.

The Indian Pavilion at the Fair has been attracting wide interest among buyers of industrial products. According to the Council, a number of trade enquiries have been registered for petro-chemicals, switchgears enamelled wires, diesel engines, grinding wheels, electric motors, cine projectors and sports goods.

Products being displayed at Indian Pavilion include pump sets and diesel engines, electric motors, compressors and accessories, water coolers, bicycle parts and spares, public address equipment, transistor radios, house-hold appliances, models of earth moving and heavy engineering equipment.

TRADE TRENDS WITH LATIN AMERICA

While the value of India's export trade to the Latin American countries nearly trebled in 1973-74 as compared to the previous year, Indian imports from that region were more than doubled in these years. Notwithstanding the improvement in the export value, the balance of trade continues to be against India and has in fact increased substantially in 1973-74 as compared to the year before.

	Rs. million	
	1972-73	1973-74
Exports from India	42.78	120.80
Imports into India	232.42	558.25
Balance of trade	-189.64	-437.45

In the Latin American region two countries, namely *Argentina* and *Brazil* are the most important trading partners of India. Indian exports to *Argentina* aggregated Rs. 7.7 million in 1972-73 but witnessed substantial expansion at Rs. 64.18 million in 1973-74. Indian imports from *Argentina* also registered sizeable growth-Rs. 180.32 million in 1972-73 and Rs. 404.72 million in 1973-74. Jute manufactures (Rs. 3.8 million in 1972-73 and Rs. 58.40 million in 1973-74) constitute the principal line of export from India to *Argentina*. Other important items of export have been synthetic and organic dyestuffs, crude opium and shellac. Wheat has been the major item of import from *Argentina*

into India (Rs. 178 million in 1972-73 and Rs. 395 million in 1973-74). Some imports of non-electric machinery and vegetable tanning extracts have also figured in the import trade in these years.

Next to *Argentina*, *Brazil* is the most important market for India. Indian exports to that country improved from Rs. 4.4 million in 1972-73 to Rs. 22.4 million in 1973-74, while her imports increased from Rs. 12.0 million to Rs. 109 million. The group of natural gums and lacs is the major line of export from India to *Brazil* (Rs. 2.3 million in 1972-73 and Rs. 15.2 million in 1973-74), followed by dyestuffs (Rs. 0.2 million and Rs. 2 million) and bicycles and parts (Rs. 0.44 million and Rs. 1.6 million). Non-electric machinery, electric machinery and apparatus, spices, handicrafts and coir yarn also figured in the Indian supplies to *Brazil*. Soyabean oil and pearls and precious stones are the major product groups imported into India from *Brazil*. The import value of soyabean oil which was nil in 1972-73 amounted to nearly Rs. 70 million in 1973-74. Likewise there was substantial increase in the import value of pearls and precious stones from Rs. 8 million in 1972-73 to Rs. 35 million in the subsequent year.

Besides *Argentina* and *Brazil* which are the most important trading partners of India in the Latin American region, *Peru* has come to be an important market for Indian products. The value of Indian exports to this country rose from Rs. 4.6 million in 1972-73 to Rs. 5.9 million in 1973-74. Indian imports from *Peru*, however, fell from Rs. 31 million in 1972-73 to Rs. 0.3 million in the subsequent year. The principal products exported from India to *Peru* are metal manufactures (Rs. 0.6 million in 1972-73 and nearly Rs. 2 million in 1973-74); developed cinematographic films (Rs. 0.4 million and Rs. 1.10 million), jute manufactures (Rs. 2.4 million and Rs. 0.4 million). Rubber articles, spices, scientific and medical instruments, bicycles and parts, non-electric machinery constitute other significant items of Indian supply to *Peru*. The value of Indian import from *Peru* witnessed a fall in 1973-74 as compared to preceding year because of the lower off take of raw cotton (Rs. 31.2 million in 1972-73 and almost negligible value in 1973-74). Ores and concentrates of tungsten (Wolfram) is another product group that India imports from *Peru*.

Chile absorbed Indian products worth Rs. 3.6 million in 1972-73 and Rs. 4.6 million in 1973-74. Jute manufactures (Rs. 2.6 million and Rs. 4.3 million), constitute the main line of supply. Besides some exports of spices, shellac and tea, Indian imports from *Chile* are negligible.

Indian exports to *Mexico* were reduced from Rs. 6.8 million in 1972-73 to Rs. 4.4 million in 1973-74 but her imports therefrom rose from nearly Rs. 8 million to about Rs. 40 million in these two years.

The shortfall in the export value from India was due to lower import by *Mexico* of jute manufactures (Rs. 4.4 million and Rs. 2.7 million respectively) and jute yarn (Rs. 1.0 million and Rs. 0.4 million). Other imports from India have been scientific and measuring instruments, medical and pharmaceutical products, leather manufactures, pearls and precious stones non-electric machinery and crude vegetable materials. The import of copper, ores and concentrates in 1973-74 (Rs. 24.3 million) as also the increased purchases of chemical elements

and compounds (Rs. 4.8 million and Rs. 15 million) were responsible for the increase in import bill from *Mexico* in the years under review.

Indian exports to *Haiti* have received a boost in 1973-74 as compared to the preceding year. Jute manufactures constitute the main group of supply. Imports from *Haiti* into India were nil during 1973-74 and the preceding year.

Among the other Latin American countries, Indian exports were sizeable in respect of *Panama Republic* (Rs. 3.4 million in 1972-73 and Rs. 3.9 million in 1973-74) *Bolivia* (Rs. 2.4 million and Rs. 3.25 million), *Uruguay* (Rs. 1.2 million and Rs. 2.9 million), *Paraguay* (Rs. 0.4 million and Rs. 2.2 million).

Jute manufactures, road vehicles, shellac and rubber manufactures are among the principal products that India exports to these and other Latin American countries. Indian imports from these countries were, however, not significant. □

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RECORD EXPORT TURNOVER BY STC

The State Trading Corporation have touched a record export level of Rs. 5530 million during 1974-75 representing an increase of over 100 per cent as compared to the previous year when the exports were of the order of Rs. 2730 million. The major factor behind the substantial rise in the Corporation's export trade was the boom in prices of commodities such as sugar. The value of sugar exports totalled Rs. 3160 million in 1974-75, as compared to Rs. 1080 million in the previous year. The export value of basmati rice also rose sizeably to Rs. 260 million as compared to Rs. 80 million. The other items that contributed to the export rise include cement, army software, castor oil and leather ware. In 1975-76, the STC plans to raise its export level to Rs. 7310 million—an increase of nearly 32 per cent over 1974-75. Of this, sugar alone is expected to earn Rs. 4100 million. The emphasis on sugar exports in the coming year will be more on quantity than on value, particularly in view of the fact that international prices have started coming down.

The Corporation's total turnover was of the order of Rs. 7860 million during 1974-75 representing an increase of 61 per cent over that in the previous year. A turnover of Rs. 10,000 million is planned for the year 1975-76.

The direction-wise pattern of STC's exports has also revealed interesting changes. In 1973-74, 35 per cent of the Corporation's exports were directed to Eastern Europe and 34 per cent to Western Europe. In contrast, half of the increase in the Corporation's exports during 1974-75 has been to West Asia and a quarter to Africa.

Set up in 1956 as a joint stock company under the Indian Companies' Act, STC has now grown up as premier trading house of India. Its annual turnover was hardly Rs. 900 million in 1964-65.

STC's exports cover about 140 items of which 14 items have been canalised through it. These are dried fish, cement, salt, footwear, human hair and products, semi-processed hides and skins, kuthroots, lemongrass

oil, opium, natural rubber, basmati rice, cellulosic art silk and woollen fabrics.

STC imports about 200 items of which 117 have been canalised through it. The items from chemical industry, drugs and pharmaceuticals and textiles prominently figure in the Corporation's import list. The import value of STC was only Rs. 1592 million in 1972-73 and it expanded to Rs. 2060 million in 1973-74 and about Rs. 2300 million in 1974-75. For 1975-76, the imports are budgeted at Rs. 2650 million. The major items of import handled by the Corporation include : wool, palm oil, rapeseed oil, newsprint, rayon grade wood pulp, tallow, caprolactum, titanium dioxide, synthetic rubber, soya-bean oil, nylon yarn, synthetic fibre, vitamins and so on.

BUILDING AND CONSTRUCTION CONTRACTS ABROAD

The National Building and Construction Corporation is making concerted efforts to secure civil construction contracts abroad through its own efforts as well as by forming Consortia with other Public Sector Enterprises engaged in Civil Construction industry in India. The Corporation is presently engaged in giving a joint bid for the construction of Basra Shipyard with other public sector undertakings and an independent bid for the construction of Multi-storey Car Park and Headquarters Office Building for the National Insurance Company at Baghdad (Iraq).

The Corporation expects to achieve a total all-time record turn-over of about Rs. 100 million during the financial year 1974-75. This turnover is three times more than its average annual turnover of almost a decade since its inception in 1960 uptill the year 1970-71.

The Corporation, which is functioning under the aegis of the Ministry of Works and Housing, achieved a breakthrough in its turnover for the first time in the year 1971-72, when it achieved a record turnover of Rs.52 million for

that year. It has since been continuing to show improvement in its over-all performance by surpassing its turn-over records year after year. Significantly, the current year's turnover is about 18 per cent more than the previous year's turnover of about Rs. 84.40 million and nearly 100 per cent more than the turnover during 1971-72.

The Corporation has since expanded its activities considerably. It is at present having 32 units spread all over the country with a work force of about 7,000 persons engaged in its various multifarious activities.

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METEOROLOGICAL TELECOMMUNICATION IN INDIA

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The Corporation has also planned a turnover of Rs. 125 million for the year 1975-76, which represents a growth of 25 per cent over its current year's performance.

The Corporation is executing several important jobs on turnkey basis, such as, Construction of a Township at Bongaigaon for Bongaigaon Refinery, Petro-Chemical Ltd and Civil and Structural works at Baroda for Poly Butadiene Rubber Project etc. of Indian Petro-Chemical Corporation Limited. In addition, it is also executing several major works, namely, Medical College Complex at Gauhati for Assam Public Works Department, Cantilever Bridge over river Yamuna at Kalpi for U.P. Public Works Department; Tube Railway and Flyover at Calcutta and so on.

UPTREND IN CASHEW EXPORTS

Indian exports of cashew kernels totalled 57,267 tonnes at a value of Rs. 1048.40 million during April 74-January 75 as compared to 49,283 tonnes valued at Rs. 695.30 million in the corresponding period of 1973-74. U.S.S.R.'s share accounted for 34,390 tonnes or 60 per cent of the total export in the period reviewed during 1974-75, as compared to 19,574 tonnes in the same period of 1973-74. Exports to U.S.A., however, declined to 9,918 tonnes from 16,930 tonnes. Similarly, supplies to Japan declined to 1,432 tonnes from 3,204 tonnes. Canada, Australia and Netherlands have increased their offtake sizeably (3,316 tonnes against 2,850 tonnes, 1,967 tonnes against 1,080 tonnes and 1,108 tonnes against 700 tonnes respectively).

Exports of cashew nut shell liquid during April 74-January 75 totalled 6,050 tonnes at a value of Rs. 14.5 million as against 3,558 tonnes at Rs. 4.42 million. As in the previous year, U.K. was the principal importer (2,031 tonnes) in the period reviewed during 1974-75 as against 1,990 tonnes in the same period of 1973-74, followed by Japan and U.S.A. Imports of raw cashew nuts into India during April '74-January' 75 amounted to 143,130 tonnes valued at Rs. 326.50 million.

During 1973-74, the total value of cashew exports (including cashew nut shell liquid) was of the order of Rs. 751.40 million. After excluding the amount spent on import of raw nuts, the net foreign exchange earning during that year was Rs. 446.20 million.

The domestic requirements of raw cashew per annum works to about 250,000 tonnes out of which about 60,000 tonnes is estimated to be available from indigenous production and the balance quantity of 190,000 tonnes is having to be imported. The main suppliers of raw nuts to India were Tanzania, Mozambique and Kenya.

During 1973-74 the share of imports from Tanzania in the total raw cashew imports (150,250 tonnes) was of the order of 97,940 tonnes while that of Mozambique was 30640 tonnes and Kenya 19760 tonnes.

Cashew Corporation of India is the canalising agency for import of raw cashew. Besides traditional sources, the Corporation has been exploring other sources of supply such as Dahomey, Nigeria and Ivory Coast. Apart from arranging for the import of cashew, the Corporation also undertakes export trade directly. During, 1974, its kernel exports totalled Rs. 1044 million as against Rs. 753 million in the preceding year. The net foreign exchange earning of the Corporation works out to Rs. 654.70 million in 1974 as against Rs. 489 million in 1973.

FURNITURE EARNS FOREIGN EXCHANGE

Indian made furniture, though of recent entry in the export front, is maintaining its foothold in the international markets. From a modest Rs. 6.7 million in 1971-72, the exports improved to Rs. 7.2 million in 1972-73 to attain a level of Rs. 17 million in 1973-74. During the first seven months of 1974-75 (April-October 1974) the export value was nearly Rs. 15 million.

Export of chairs of wood rose considerably. From merely Rs. 0.1 million in 1971-72 and Rs. 0.2 million

in 1973-74, the exports of these chairs for the first seven months in the following year amounted to Rs. 1.32 million. Household steel furniture accounted for a fourfold increase in exports. From 0.29 million in 1971-72, exports reached Rs. 0.5 million in 1973-74. During April-October 1974, the export value grew substantially to Rs. 1.28 million. Export of Steel office furniture has also doubled in the course of years. During April-October 1974, export of this item crossed Rs. 6 million mark while the export of this item in 1971-72 was only for Rs. 2.92 million. Other furniture of wood and parts (excluding artware) also contributed its share to the general rise in exports of Indian furniture. In terms of value, exports during April-October 1974 was more than four times the realisation of foreign exchange in 1971-72. From Rs. 0.43 million in 1971-72, the exports have crossed Rs. 1.8 million during April-October 1974.

The major destinations of the export of chairs of wood was U.K. (Rs. 1.23 million during April-October 1974). Kuwait and Muscat imported Indian household steel furniture worth Rs. 0.27 million and Rs. 0.79 million respectively. Muscat's imports of steel office furniture from India amounted to Rs. 3.95 million during April-October 1974. Dubai's imports of this item during this period was Rs. 0.75 million. Iraq contributed for the major share of imports of Indian furniture in wood totalling Rs. 0.85 million during April-October 1974.

Other items of Indian furniture also showed a rising trend in exports. They are hospital beds with mechanical fittings, medical and dental furniture, furniture of iron or steel and parts.

WAGONS TO YUGOSLAVIA

An earlier contract signed between India and Yugoslavia for the supply of 3600 railway wagons has

been re-negotiated recently and an agreement has been reached to supply 1300 wagons. The final delivery is to be completed by December 1975 and no difficulty is anticipated in adhering to this delivery schedule.

Of the 1300 wagons to be supplied, 850 would be open wagons and the rest covered wagons. The revised value of the contract is about Rs. 184 million for 1300 wagons, as against Rs. 375 million for 3600 wagons originally contracted for. Thus, the wagon prices have been increased under the revised agreement. Of the 1300 wagons to be delivered, 670 wagons have been already supplied. The wagon builders in India are expected to complete the shipment of the wagons in semi-knocked down condition by the end of June 1975. After assembly in Yugoslavia, delivery would be completed by the year end.

INDIAN OFFER TO SUPPLY COKING PLANT TO HUNGARY

According to Hungaropress, Information Service of the Hungarian Chamber of Commerce, an expert delegation from Hungary visited India recently to examine the conditions under which India could supply a complete coking plant of 650,000 ton-per-year capacity, corresponding to the Hungarian specifications. The delegation visited Bokaro to study the coking plants in operation. They also paid visits to the state-managed heavy machinery factory at Ranchi, the Durgapur mining machine plant, as well as machine factories in Calcutta.

The delegation established that subject to a few modifications, the Indian coking plants correspond to the Hungarian needs. Before elaborating a detailed technological and commercial offer, Indian specialists visited Hungary to collect the necessary data.

INDIA'S TRADE TRENDS WITH HONG KONG

One of the major shopping centres in the world, Hong Kong is India's significant trade partner in the Asia region. During 1973-74, India's exports to Hong Kong amounted to Rs. 359 million which registered sizeable increase over the preceding year's exports valued at Rs. 197.60 million. In fact, in earlier years also, the Indian exports to this market have indicated a steady uptrend—Rs. 201.40 million in 1972-73, Rs. 157.90 million in 1971-72, Rs. 171.70 million in 1970-71, Rs. 128.60 million in 1969-70, Rs. 113.80 million in 1968-69 and Rs. 83.50 million in the year that preceded.

India has traditionally a favourable balance of trade with Hong Kong though the value of trade has been limited. During 1973-74, India's imports from Hong Kong were of the order of Rs. 167.20 million as compared to Rs. 19.20 million in 1972-73, Rs. 22.10 million in 1971-72, Rs. 8.4 million in 1970-71, Rs. 8.6 million in 1969-70, Rs. 9.60 million in 1968-69 and Rs. 8.70 million in 1967-68. Thus, during all these years, India had favourable balance of Trade despite the limited trade turnover between both the countries.

In the comprehensive range of India's exports to Hong Kong, prominent items included pearls, precious and semi-precious stones (Rs. 213.30 million in 1973-74 against Rs. 127.50 million in 1972-73), cotton manufactures excluding yarn, thread and clothing (Rs. 35.80 million against Rs. 1 million), copper (Rs. 19 million against Rs. 8.80 million), cotton yarn and thread (Rs. 15.40 million against Rs. 5 million), fresh fruits and nuts (Rs. 9.8 million against Rs. 11.70 million), dyeing, tanning and colouring materials (Rs. 7.30 million against Rs. 4.2 million), electrical machinery and parts (Rs. 5.90 million against Rs. 2.70 million), other machinery (Rs. 5 million against Rs. 0.8 million) and medical and pharmaceutical products (Rs. 3.70 million against Rs. 2.60 million).

Hong Kong supplies to India mainly medical and pharmaceutical products, printed matter, pearls, precious and semi-precious stones, machinery other than electric, electrical machinery and parts and other articles.

Hong Kong offers sizeable prospects not only for exporting directly, but also for re-exporting to other countries. It is a major business centre and about one-fifth of the total exports from Hong Kong are accounted for by re-exports. The economy also serves as a destination point for Taiwan, Philippines and other developing countries and even those on the West Coast of Americas.

A good potential awaits India's engineering goods in Hong Kong among others. Besides, pharmaceutical and medical products, plastic raw materials and machinery and equipment are in keen demand in the economy. As Hong Kong is rapidly marching towards greater industrialisation in recent years, India's engineering products, components, and intermediates and semi-finished raw materials can meet the requirements of the Hong Kong economy because of their price competitiveness and quality. Consumer goods are also in sizeable demand in Hong Kong. India has also a good scope for pushing its exports of builders' hardware, steel structurals, sanitary fittings, decorative fittings and other maintenance items as construction activities are being undertaken on a growing scale in the colony as also in the neighbouring countries. It also offers a market for export of tools and equipment for the local workshops. Apart from these, there also exists scope for export of other products like fruits and vegetables.

Hong Kong also offers good scope for setting up industries because of low rates of income tax, comparatively low wage rates, very few labour laws and longer hours of work. Prospects for joint collaboration exist in the areas of light industries, such as, machine tools, sewing machines, furniture and pharmaceutical products.

EXPORT POSITION OF RAYON AND SYNTHETIC TEXTILES

Having gained a record export level of Rs. 330 million during 1973-74 as compared to only Rs. 93.20 million in 1972-73, India's export trade in rayon synthetic textiles as also other allied manufactures amounted

to Rs. 195 million in the first three-quarters of 1974-75. The growth rate in the exports would have been higher in 1974-75 but for the international recession and the consequent fall in demand.

Fabrics constitute the lion's share in the export trade of rayon and synthetic textiles. Their export value was as much as Rs. 279 million in 1973-74 and Rs. 177 million in the first three quarters of 1974-75. Next to fabrics, garments and made-ups have also been active in the export field. These secured Rs. 9 million in 1973-74 and nearly Rs. 6 million in the first three quarters of the subsequent year. Export trade in hosiery and knitwear improved from Rs. 1 million in 1973-74 to Rs. 3.4 million even during April-December 1974.

The present installed capacity of the man-made fibre industry in India is as follows : rayon staple fibre 89 million kg, rayon filament yarn nearly 40 million kg, acetate rayon filament yarn 5.4 million kg, nylon filament yarn and fibre 17.2 million and polyester filament yarn fibre 23.7 million kg.

The art silk weaving industry in the country is spread over mainly in the decentralised sector comprising 111,650 powerlooms and 130,000 hand-looms. Additionally, there are about 844 warp/raschel/lace knitting machines and 114 embroidery machines installed in India.

The production of man-made fibre fabrics in 1973 totalled 886.7 million metres while the output of blended fabrics in the year stood at 83.76 million metres and that of mixed fabrics 46 million metres.

An important development in the field of artsilk industry in India is the increased availability of caprolactum indigenously in the manufacture of nylon filament yarn and of DMT in the manufacture of polyester fibre and polyester filament yarn. In September 1974, M/s Gujarat State Corporation Company Limited went into production of caprolactum with an annual capacity of 20,000 tonnes. The Indian Petro-Chemicals Corporation Ltd. which has a capacity of 25,000 tonnes attained 80 per cent capacity utilisation level. With the improved availability of caprolactum and DMT the industry is hopeful of doubling the output of synthetic

fabrics in 1975-76 to produce another 300 million metres of cloth.

TRENDS IN WORLD TRADE— GATT REPORT

World exports rose from U.S. \$ 573 billion in 1973 to \$ 825 billion in 1974, registering a 44 per cent increase. The share of industrial areas in the world trade in these two years increased from \$ 392 billion to \$ 525 billion, while that of the developing countries improved from \$ 109 billion to \$ 210 billion. In terms of percentage change-over, the share of industrial areas of the global exports registered a 34 per cent rise in 1974 over the previous year while the share of developing countries improved by 93 per cent. Of the export trade from developing countries, the share of main oil exporting countries increased from \$ 42 billion in 1973 to \$ 115 billion in 1974, thus registering a 174 per cent improvement.

In a press statement giving preliminary conclusions of its annual report, the Secretariat of the General Agreement on Tariffs and Trade (GATT) stated that the volume of global trade in 1975 might register an absolute decline if stagnation of production continues in the countries of the industrialised area but otherwise world trade might show an increase in volume. This statement indicates the importance of immediate developments in the industrialised countries because their mutual trade accounts for about half of world exports. The rapid decline in the output of industrial countries has continued from the second half of 1974. The GATT assumption underscores uncertainty over future industrial prices and uncertainty over future price levels in general as inhibiting an increase in the level of gross fixed investment. "In other words, it is still uncertain as to whether the back of the global inflation has been broken or whether the acceleration of inflation will resume with the resumption of real economic growth."

Chiefly owing to the price increase, the value of exports of developing countries doubled and their share in world trade increased from 19 per cent to 25

per cent during 1974 as compared to the previous year. Exports of the Petroleum Producing Countries are estimated to have increased by 175 per cent in value but have declined by about 4 per cent in terms of volume. The oil exporters' share in the value of world trade expanded from 7 per cent to about 14 per cent but share of the non-oil exporting developing countries declined from 12 to 11 per cent of world trade.

Referring to the payments outlook, the GATT press release stated that there has been a sharp change in recent times; on the one hand fears of breakdown in the international economic system have subsided including those engendered by the problems of recycling payments for petroleum, the continuing acceleration of inflation and the possibility of competitive mutually incompatible efforts of the main trading countries to share up their balance of payments and current account deficits by restricting imports." While these fears did not materialise, the decline in national levels of economic activity, particularly in the United States, has proved to be much steeper than foreseen. The GATT press release further stated that the magnitude of the problem of payments for petroleum has been scaled down for 1975 and the next few years because early calculations underestimated the import capacity of the oil producing countries and the effectiveness of higher prices and conservation measures in reducing demand in importing countries.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

PUBLIC SECTORS' PERFORMANCE IMPROVES

Contrary to the general opinion in many circles in India and abroad, facts are available to prove that India's public sector projects have considerably improved their performance in recent times. This they were able to do by improving the rate of capacity utilisation

and consequently enlarging and diversifying their manufacturing capability as also by resorting to tight inventory control. The Government of India's pricing policy has also helped the public sector projects to improve their performance.

The public sector enterprises in India are expected to touch a record profit of Rs. 2000 million in 1974-75 as compared to Rs. 1490 million in 1973-74 and Rs. 810 million in the year that preceded:

With an investment of over Rs. 60,000 million and employment of about 1.3 million workers and 50,000 managers, the public sector projects in India are at present 122 in number excluding departmental undertakings like railways, posts and telegraphs, State Government enterprises and the nationalised commercial banks. Some of these projects like Hindustan Steel, Hindustan Machine Tools, Bharat Heavy Electricals and Indian Drugs and Pharmaceuticals have grown from single units into multi-unit concerns and have come to occupy pre-eminent position in the context of India's endeavour towards industrialisation.

The number of units operating above 75 per cent capacity rose from 22 in 1971-72 to 45 in 1973-74. Twenty three units were operating between 50 per cent and 75 percent capacity in 1973-74 against 10 in 1971-72. On the other hand, the number of undertakings operating below 50 per cent capacity fell from 22 in 1971-72 to 16 in 1973-74.

The Bureau of Public Enterprises had set up 10 high level committees to tighten up inventory controls. These committees are understood to have completed a thorough analysis of the raw materials position in about 25 units. In 1965-66, the total value of the inventories of the public sector enterprises comprising 39 manufacturing units in operation was Rs. 3550 million. The value of their output was Rs. 7800 million representing an inventory level of 5.4 month's output. In the next two years, the number of units under operation increased to 55, the inventory to Rs. 7460 million, output to Rs. 13370 million and the level of inventory jumped up to 6.7 months' output. It rose to eight months' output in 1969-70 and 1970-71.

From 1971-72 onwards, despite steady increase in the number of units and output, the inventory level was

progressively brought down. On March, 31, 1974, the latest year for which figures are available, inventory worth Rs. 18000 million represented the cost of 4.3 months' production as against a total production, valued at Rs. 50920 million.

The Committee's recommendation of steps for further improvement in the performance of the undertakings include better organisation, fixation of norms segregation of insurance items, automatic replenishment system and preparation of catalogues.

The Committees also found that the units have saved about Rs. 300 million in foreign exchange through import substitution during 1973-74. As many as 250 ancillary units have also developed.

PRODUCTION RISE OF SALEABLE STEEL

India's total production of all categories of steel during 1974-75 has been estimated at 5.72 million tonnes. Of this, the output of saleable steel in five integrated steel plants, namely, Bhilai, Rourkela, Durgapur, Tata Iron and Steel Co (TISCO) and Indian Iron and Steel Co (IISCO) reached an all time record of 4.89 million tonnes as against 4.35 million tonnes in the previous year. It is expected that the output will improve substantially further in 1975-76. According to the information available from the Steel Authority Limited, the anticipated improvement in the turnover in 1975-76 will enable India to export nearly a million tonnes of pig iron and steel products earning over Rs. 1000 million in foreign exchange.

Towards the overall improvement in the steel output, the contribution made by the integrated steel projects has been notable. The Rourkela steel plant achieved an all time record production of 800,000 tonnes of finished steel in 1974-75. Durgapur Steel Plant produced 520,000 tonnes of saleable steel in this year as compared to only 377,000 tonnes in the preceding year. The biggest contribution to the total steel production, however, continues to emerge from Bhilai and TISCO projects. The alloy steel plant at Durgapur also made an important breakthrough in its turnover.

The Bokaro steel plant has commissioned the second convertor in the steel melting shop as well as its slabbing mill during 1974-75. In recent months this steel plant has been working at 106 per cent rated capacity. Work in the hot strip mill of the plant stated to be one of the largest of its type in the world has been progressing and will be commissioned by the middle of the current year.

INDIA OPTS FOR 400kV SYSTEM

Government of India have, after careful scrutiny, decided to go in for 400 KV system instead of 500 kV. Anticipating the switch-over from the existing 220 kV power transmission system to 400 kV system, India's first and largest heavy electrical factory at Bhopal in Madhya Pradesh, took up the development work of 400 kV class equipment in hand.

The first proto-type 400 kV Capacitor Voltage Transformer designed and manufactured at BHEL, Bhopal has successfully passed all routine type tests in accordance with International Standards. Already, the factory has rolled out the first proto-type 400 KV Current Transformer, which also had been completely designed and manufactured at Bhopal. With the completion of 400 kV Capacitor Voltage Transformer, the BHEL, Bhopal is poised for self-sufficiency in the field of 400 kV Instrument Transformers. Thus BHEL, Bhopal, are the first in the country, who have successfully utilised expertise gained over the years in producing a product entirely on their own, well in time to meet the growing needs of the country.

The 400 kV Capacitor Voltage Transformer (CVT) consists of primary and intermediate capacitors and electromagnetic voltage transformer. The secondary voltage of 63.5 volts is used for metering purpose as well as protection of 400 kV power system.

The CVT is also used for carrier communication, tele-metering etc. It can supply a rated burden of 400 VA and caters to the requirement of watt meter, energy meter, volt-meter and relays connected. Basic insulation of the 400 kV capacitor voltage transformer is

Impulse withstand voltage 1550 kV High Voltage Power
Frequency withstand voltage 680 kV.

The Bhopal factory has also taken up the development work of 400 kV class transformers. Initial design calculation and field plotting studies have been completed. The commercial manufacture of 400 kv transformers has since been started at Bhopal.

NUCLEAR STEAM TURBINE FOR MADRAS ATOMIC POWER PROJECT

The 2,36,000 Kilowatt Steam Turbine, the biggest among the Steam Turbines ever installed in India, has been successfully manufactured and passed all tests at Bhopal Unit of Bharat Heavy Electricals Limited.

The Turbine has been manufactured for the Nuclear Power Station at Kalpakkam, near Madras. The third Nuclear Station in the country, Kalpakkam is the first to be equipped with India-built Power Plant. The 2,36,000 kW turbine, which has passed the test at BHEL, Bhopal, is the first set for this Power Station. BHEL, Bhopal, is manufacturing one more similar set for Kalpakkam and two for India's fourth Nuclear Power Station at Narora in Uttar Pradesh.

The Turbine is a heavy piece of equipment-15 metres long, weighing 600 tonnes and has to run normally at a speed of 3000 revolutions per minute. It has been rigorously tested for an overspeed of upto 3500 revolutions per minute.

Number of components for this turbine are of such large sizes that special transportation arrangements have to be made over rail and road to take them to the site down to South from the Manufacturing Unit at Bhopal.

BHEL, Bhopal, is also manufacturing Re-heaters with the most modern and sophisticated technology which were unknown hardly two decades ago. BHEL, Bhopal, has introduced this modern technology for the first time in the country.

ON RAW COTTON INDUSTRY

Raw cotton constitutes the most important input for export of cotton textiles. Its production from India ranges from 5 million bales in 1968-69 to 6.56 million bales in 1971-72. It is projected that by 1978-79, cotton requirements will go up to nearly 9 million bales comprising 8.2 million bales for mill consumption and the remainder for export and ex-mill use.

To be able to produce the bulk requirement of cotton by the Fifth plan end (1978-79), it would be imperative to increase the productivity of cotton grown under rain-fed areas. A centrally sponsored scheme is being implemented for this purpose. As some new improved strains of cotton, such as, MCU 6 and 7 in Tamil Nadu, Mahalaxmi (Andhra Pradesh), Khandwa 2 (Madhya Pradesh) and so on have now become available, these varieties are being tried in Intensive Cotton District programme and a large area is being brought under cultivation of these varieties.

Demand of different varieties of cotton during 1974-75 has been estimated at 7.2 million bales of 180 kg. Of the total demand estimated, the requirement of cotton for long and superior long variety would be 2.5 million bales, for medium and superior medium variety 4.5 million bales and short staple variety 0.6 million bales. Against the total requirement of about 7.2 million bales, the indigenous production of cotton during 1974-75 is estimated at about 6.2 to 6.3 million bales of which short staple variety would be 0.6 million bales, medium and superior medium variety 33.7 million bales and long and superior long variety 2 million bales. Thus there would be a shortfall of about 0.8 million to 0.9 million bales of cotton as compared to the demand and the shortfall is mostly in the production of medium staple cotton. To augment the indigenous availability of this cotton, it has been decided to import 0.2 million bales of medium staple cotton from Pakistan. The rest of the requirement gap also is sought to be filled up either by imports or by improved production.

Nearly 60 per cent of the total cotton area in India is under indigenous (Deshi) variety which has an average yield of about 70 kg per hectare.

Consequently, 60 per cent of the total cotton area accounts for only 30 per cent of the total cotton production. The area under irrigated American cotton accounts for nearly 21 per cent of area to about 47 per cent of the total cotton production. The rest of the area is under rain-fed American cotton which yields at an average 135 kg per hectare as against 320 kg in irrigated American cotton area. Keeping in view the broad classification of cotton area into the above three crops, a multi-sided strategy for increasing cotton production in the country is being pursued in a three-fold manner : to increase the area under irrigated cotton to about 2 million hectares and increase the yields from about 320 kgs to about 450 kgs per hectare ; to improve the yield of rainfed American cotton from about 35 kg to about 225 kg per hectare and to increase the yield of Deshi cotton from about 70 kg per hectare to about 90 kg per hectare. The Intensive Cotton District Programme, operative presently in 14 districts of major cotton growing States, aims at extension of the programme in new irrigation project areas, production of hybrid cotton seeds, production of nucleus and foundation seeds of cotton and demonstrations. The main components of the Programme are the use of improved seeds, fertilizers and plant protection measures. The efforts to improve raw cotton production in the country are to cut down the gap between domestic requirements and output in the near future.

TRADE FAIRS AND EXHIBITIONS ABROAD

INDIA PAVILION WINS GOLD MEDAL

India Pavilion, put up by the Indian Council of Trade Fairs and Exhibitions, Bombay, at the Cairo International Fair, which concluded recently, has won a gold medal.

The Chairman of the Egyptian Trade Fair Organisation, presented the gold medal to the director of the India Pavilion.

INDIA'S PARTICIPATION AT FOIRE DE PARIS

The Ministry of Commerce, Government of India, are organising India's participation in Foire De Paris

scheduled to be held at Paris (France) from April, 26 to May 11, 1975.

The number of Indian firms participating in the India Pavilion at Foire De Paris will be around 25. The items to be displayed at India Pavilion include hand tools, stainless steel articles, cutlery, silverware, tableware, sports goods, handloom products (fabrics and furnishings), handloom cotton/silk ready made garments, carpets, leather goods, musical instruments, handicraft articles, (batiks and paintings, bronze and brassware), precious and semi-precious stones, and stone carvings etc, coffee and marine products.

The export value of Indian products to France was of the order of Rs. 455 million during 1972-73 which rose to Rs. 475 million in 1973-74. In these years, the major exports were related to leather (Rs. 195 million and Rs. 96 million), readymade garments (Rs. 23 million and Rs. 63 million), cotton manufactures excluding yarn and thread (Rs 22 million and Rs. 42 million), crude vegetable materials (Rs. 30 million and Rs. 52 million), pearls, precious and semi-precious stones (Rs. 27 million and Rs. 14.39 million), oil cakes (Rs. 13 million and Rs. 23.6 million); castor oil (Rs. 27 million and Rs. 14.4 million); coir yarn (Rs. 14 million and Rs. 13.9 million), Coffee (Rs. 9 million and Rs. 11.8 million); Bengal deshi cotton (Rs 1.0 million and Rs. 7.6 million), tea (Rs. 1.15 million and Rs. 1.45 million); works of art (Rs. 5 million and Rs. 10 million); fish (Rs. 8.7 million and Rs. 6.4 million); spices (Rs. 1.35 million and Rs 9.8 million); mushrooms (Rs. 2 million and Rs. 3 million and engineering goods (Rs. 3.8 million and Rs. 4 million).

Indian imports from France were of the order of Rs. 398.5 million during 1972-73 while it increased to Rs. 697.6 million in 1973-74. Non-electrical machinery was the most important product imported by India from France at Rs. 100.6 million in 1972-73 and Rs. 364 million in 1973-74.

NEW ZEALAND INTERNATIONAL TRADE FAIR

The Government of India, Ministry of Commerce, have decided to participate in the forthcoming New

Zealand International Trade Fair at Wellington Scheduled to be held from August 20 to September 6, 1975.

This Fair, a biennial event, was organised for the first time in 1969 at Auckland. Since then, it is being held alternatively at Wellington and Auckland. The Fair in 1975 at Wellington will be the second at this place.

India has participated in all the fairs held in the past. More than 40 Indian parties exhibited their goods varying from precision lathes to handknitting machines of cotton, silk and rayon, drugs and cosmetics. Most of the exhibits valued at about Rs. 0.5 million were sold during the Fair.

New Zealand with a population of 3 million has a large external trade of the order of Rs. 36 billion per annum (imports Rs. 16 billion and exports Rs. 20 billion in 1973). The country follows a very liberal trade policy.

Trade between India and New Zealand has been growing at a steady rate. New Zealand offers a large market for various Indian products in the engineering field apart from items like textiles, jute goods and handicrafts.

During 1973-74, India's exports to New Zealand amounted to Rs. 134 million as against Rs. 82.5 million in the preceding year. India's imports from New Zealand were of the order of Rs. 82 million in 1973-74 as against Rs. 65 million in 1972-73.

TDA'S ORGANISATION OF TRADE FAIRS ABROAD

Trade Development Authority participated in two international fairs at Munich and Berlin and organised a Buyer—Seller Meet in London during 1974. It participated in Electronic '74 at Munich in November 1974 which is acknowledged as a significant electronic event in the world. The first ever presence of a developing country like India in such a fair evoked interest and led to the credibility about the electronic industry that is fast coming up in India. TDA's participation attracted a large number of buyers and about 200 enquireies about

the entire range of electronic components' that were displayed were secured. The total value of orders booked or firmly assured amounted to Rs. 4.4 million.

TDA also participated in the "Partners For Progress" Fair at Berlin. The fair in which a wide range of industrial consumer goods was displayed primarily attracted buyers from developed countries. Sizable business is reported to have been booked by the participating Indian firms at this fair also.

A new technique of market development has been experimented by the Authority in the form of Buyer-Seller Meet. One such meet was organised by the TDA in the premises of the World Trade Centre London in October, 1974, in collaboration with the Commonwealth Fund for Technical Cooperation as well as the World Trade Centre. This new technique proved to be valuable and resulted in on the spot orders worth Rs. 6.5 million in addition to which firm enquiries of about Rs. 16 million were received.

METEOROLOGICAL TELECOMMUNICATION IN INDIA

Meteorological telecommunication in India has come a long way from land-line telegraphy to radio teleprinters and computers. At present, there are six main trunk teleprinter circuits connecting the Meteorological Communication Centre at Bombay with Calcutta, New Delhi, Madras, Nagpur and Poona. There are another 43 circuits linking these centres with other meteorological centres and observatories in India. These are meant primarily for exchange of meteorological data for preparation of weather charts. Recently, additional trunk circuits have been established between principal airport Meteorological Offices, for exclusive aeronautical meteorological traffic. To back them up 36 telex links have been provided.

The equipment used both for land-line and radio-teleprinter transmissions are all indigenous, obtained from Bharat Electronics Ltd. (BEL) and Hindustan Teleprinters Ltd. (HTL).

Broadcast of facsimile weather charts was started in 1963. At present these transmissions are made round-the-clock for the use of meteorological offices in India and abroad and have a range of 5000 kms. The charts contain analysis and forecasts of wind and temperature conditions at various levels in the atmosphere upto 12 kms covering South Asia and neighbouring areas and are intended for the benefit of long flights over this region.

The last two decades have witnessed unprecedented developments in science and technology which have enabled meteorology to take immense strides forward. The advent of satellite and computer technologies have made it possible to establish communication on truly global and practically instantaneous space and time frames. The World Meteorological Organisation (WMO) initiated World Weather Watch Scheme in 1967 and New Delhi has been chosen as a Regional Telecommunication Hub on the Main Trunk Circuit girdling the globe for round-the-clock high speed transmissions of meteorological data.

The Regional Telecommunication Hub in New Delhi has at present telecommunication links with Moscow, Melbourne, Cairo, Tokyo, Bangkok, Colombo and Dacca. Similar links with Tehran, Karachi and Kathmandu will be established in near future. The radio-teletype links, New Delhi-Tokyo and New Delhi-Melbourne operate via the Indian Ocean Satellite. The link to Moscow was upgraded to 200 bands—four times

the speed of a normal teleprinter channel—and a radio-facsimile channel was provided in 1971 with equipment costing 90,000 provided by the Government of USA under the Voluntary Assistance Programme of WMO.

For further speeding up the channel, a Russian equipment named 'LUCH' capable of transmitting data at 1200 bits per second (b/s) about 20 times faster than the ordinary teleprinter has been installed recently between New Delhi and Moscow. Further, to deal with the huge amount of global meteorological data a telecommunication computer DS714 costing over \$ 1.7 million (Rs 10 million) is being supplied as a gift by the Netherlands Government under the VAP plan of WMO. This is the first time in Asia (outside Japan) that such high speed computerised telecommunications will be brought into use for international exchanges.

With the advent of high speed telecommunications, it has become possible to collect meteorological data on a global scale at World Meteorological Centres and Regional Meteorological Centres round the globe in the matter of a few hours and process them with the aid of scientific computers for the issue of weather forecasts. New Delhi is one of the Regional Meteorological Centres provided with these facilities and meteorologists confidently hope that with the aid of these technological advances it should be possible to provide fore-casts of the monsoon rains, tropical cyclones and droughts of vital interest to farmers, 5-7 days in advance by the end of this decade. □

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INDIA'S IMPORT POLICY FOR 1975-76

The Government of India's import policy for the year April 1975 to March 1976 has been recently announced keeping in view three main objectives viz. to promote industrial production and its diversion to export markets to the maximum extent, encourage import substitution and eliminate non-essential imports and to eliminate delays in providing import licences for raw materials and components. The classification of priority and non-priority industries, introduced in the wake of devaluation of the rupee in June 1966 has been done away with and a new concept of 'select' industries that are of importance to the national economy and export production has been introduced in the import policy.

The list of 'select' industries consists of 29 product-groups such as specified iron and steel industries, non-ferrous metals and alloys, boilers and steam generating plants and spares, prime movers, specified electrical, telecommunication and transport equipment, industrial

machinery, machine tools, agricultural machinery and implements, industrial instruments, scientific equipment and instruments, chemical fertilisers, selected chemicals, industrial gases, dye stuffs, drugs and pharmaceuticals, pulp and paper, leather and leather goods, glass, ceramics and cement. The select industries can import non-permissible items against their licences for raw materials and components up to 5 per cent of their face value.

Another innovation of the new import policy is the introduction of automatic licensing of imported raw materials and components whereby the immediate requirements of imported inputs of the industries will be met by cutting out the procedure of receiving applications through sponsoring authorities. All industries will now be eligible to apply for automatic licences on the basis of c.i.f. value of actual consumption of imported raw materials and components during 1974-75.

The new import policy provides for special assistance to export production. Export-linked import licences will be provided on industrywise basis apart from automatic

licensing. All units which export at least 20 percent of their production will be eligible for getting licences on the basis of the value of consumption of imported raw materials, irrespective of the value of licences obtained during the previous year. These exporting units will also be eligible for preferred sources of financing. The list of industries in which large scale units have a compulsory export obligation has been revised keeping in view the obligation of these industries to contribute to export sales. The compulsory export obligation has been increased from 5 per cent to 10 per cent in respect of those industries where there is sufficient export potential. Small scale units which export 20 per cent of their production, will be eligible for licences under free foreign exchange up to 75 per cent of their entitlement and the balance under U.K. Credit.

The new policy has also introduced an important simplification of spare part imports whereby all industries will now be eligible for grant of separate licences for import of spare parts, unlike in the earlier years when only priority industries were eligible for the same.

While the existing provisions for import of capital goods, scientific instruments and raw materials for research and development will continue, the new policy introduced further facilities in the context. Special import facilities have also been announced for medical practitioners returning from abroad.

Import of iron and steel items will also be allowed under the automatic licensing facility.

Certain items for which indigenous capacity has developed will not be normally allowed for import by actual users now. Such items include grey iron pipes, wire ropes, ferrous and non-ferrous wire mesh finer than 100 mesh, non-ferrous electro-plating anodes, certain crude drugs and chemicals, portable type steel radial machines (35 mm—40 mm dia), crankshaft grinding machines and reduction gear boxes.

On the other hand, certain items which were not allowed for import earlier will now be allowed, in view of the change in indigenous availability; for example, aluminium stitching wire for tea industry, burnishing tools required by break manufacturers, special lamps, explosion

proof porcelain lamp holders for manufacture of light fittings, oil palm seeds, tetracycline base and tetracycline hydrochloride, natural essential oils for manufacture of food products, high strength craft paper for manufacture of paper abrasives and so on.

The Import Policy for Registered Exporters has provided for additional allocation for import of raw materials and components against exports of engineering goods, chemicals and allied products, leather and leather goods, sports goods, handicrafts, cotton textiles and ready-made garments. The additional allocation will help in strengthening the base for export production. Exporters will also continue to have the facility of direct

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INDIA'S STEEL INDUSTRY ACHIEVES ALL-TIME PRODUCTION RECORD

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imports of most of the items canalised through public sector agencies.

The schemes for supply of indigenous raw materials for export production have also been rationalised. There will be two schemes in force. The first covers 10 items which can be supplied by indigenous producers at international prices to exporters. The second scheme covers every item which an indigenous producer can supply at negotiated price to a person holding an import licence for that item.

Export of 14 chemical items viz. benzene, methanol, toluene, methamino phenol, butyl alcohol, butyl acetate, ethyl acetate, monochloro acetic acid, ethanol amine, formaldehyde, diacetone alcohol, orthoxylene, mixed-xylene and nitro-toluene, which were hitherto banned for export but in respect of which indigenous availability has since improved will now be permitted for export on merits. Export of the first three chemicals aforementioned will be canalised through the State Trading Corporation of India Ltd., Owing to its domestic shortage, soda ash will be restricted for export again on merits of individual cases. Export of only certain categories of iron and steel materials will be allowed. Their exports and those of specified ferro-alloys will be canalised through Steel Authority of India Ltd.

As against the favourable balance of trade to the extent of Rs. 1040 million that India enjoyed in 1972-73 (her exports and imports respectively being Rs. 19710 million and Rs. 18670 million), there was an adverse trade balance against India to the tune of Rs. 4380 million in 1973-74 (exports Rs. 24830 million and imports Rs. 29210 million) During April 74-January 75 the adverse balance is estimated at Rs. 8780 million (exports Rs. 26030 million and imports Rs. 34810 million) as compared to Rs. 2760 million (Rs. 19160 million worth exports and Rs. 21920 million worth of imports) in the corresponding period of 1973-74.

The export target for 1975-76 has been fixed at Rs. 34000 million as against an estimated Rs. 30,000 million in 1974-75. The new import policy aims at imports costing Rs. 17000 million to facilitate the export target. These imports, would not however include food, fertilisers and oil which at current world prices are expected to cost

substantially more than the maintenance imports covered by the policy.

EXPORT PERFORMANCE AND POTENTIAL

INDIAN AIR LINES CORPORATION EARNS FOREIGN EXCHANGE

The Indian Airlines Corporation has achieved a record foreign exchange earning of Rs. 160 million during 1974-75 against the original estimate of Rs. 130 million. The increased earnings were made possible by the introduction of package tours for foreign tourists since September 1974. The schemes include a 14 day tour to any place in India for \$ 200 and 21 day tour for \$ 275.

The Corporation which has budgeted for a loss of Rs. 165 million during the year under review has actually ended as a slight surplus. Absence of any labour trouble and considerable improvement of on-time performance are stated to be among the factors responsible for improving the Corporation's performance during the year. Despite the increase in fares, there has been no significant drop in traffic. The on-time performance has improved year after year to the level of 75 per cent. In fact, the technical despatch reliability was 99 per cent but factors like weather intervened to reduce it to 75 per cent. Primary delays were only one per cent which is a notable performance considering that there were about 200 landings and takeoffs from about 60 airfield. daily.

EXPORT SUCCESS IN STEEL PIPES AND TUBES

India's export earnings of iron and steel tubes, pipes and fittings have revealed appreciable increase in recent years. The export value more than doubled to Rs. 243 million in 1973-74 from Rs. 112 million in the

preceding years. A similar trend was notable during 1974-75. During the first three quarters of the year (April-December 1974), the exports of the tubes and pipes are estimated to have fetched Rs. 267.80 million, according to the Engineering Export Promotion Council, Calcutta.

In the total export realisation of the group in 1973-74 the share of galvanised and non-galvanised tubes and pipes of iron and steel (except cast iron welded) was as much as Rs. 185.55 million. Saudi Arabia, U.K., Dubai, Iraq, Abu Dhabi, Federal Republic of Germany, Iran, Jordan, Kuwait, and Qatar were the major export destinations. The other principal variety supplied abroad during the year included tubes and fittings of iron and steel. These earned Rs. 35.68 million in foreign exchange mainly from Czechoslovakia, Iraq, Poland and Singapore.

Contributing to the export effort in the line, M/s. Jain Tube Co. Ltd., (D-20, Connaught Place, New Delhi,) were able to export goods worth over Rs. 80 million during 1974-75. The firm is engaged in the manufacture of galvanised and steel pipes and export of various engineering items. Their exports are directed to several countries of the world including USA, Canada, Latin America, East European countries, Korea, Australia, Newzealand and East Africa.

TRADE POTENTIAL WITH GULF STATES

At the instance of the Ministry of Commerce, Government of India, an Indian Industrial Delegation sponsored by the Federation of Indian Chambers of Commerce and Industry recently visited some of the West Asian countries and brought home the fact that the Indian industry and trade could meet the import and technological requirements of the booming economies of the Gulf countries in several areas. The image of India in these countries till recently was that of a supplier of tea, jute manufactures, cotton textiles, spices, tobacco and such other groups of items but gradually the Gulf countries have come to recognise the emerging capabilities of India in offering sophisticated as well as labour orient-

ed technology and products. Yet "there is urgent need to narrow the communication gap in view of the present capabilities and potentialities of India to become a worthwhile partner in trade and industrial growth."

Notwithstanding the advantages that India enjoys in the context of trade with the Gulf countries such as the close geographical proximity and friendly feelings between the two regions, its share in the global imports of the gulf economies ranges only from 1.5 per cent to 4.5 per cent. This share is not only insignificant but also static. For cementing industrial, commercial and trade ties, several measures would have to be taken up by way of institutional arrangements, strengthening the production base in India, establishing joint ventures, exploring trade opportunities and expansion of services, according to the Report of the Industrial Delegation. Among the institutional arrangements, suggested were the setting up of an autonomous Gulf Economic Cooperation Organisation which should aim at gathering and transmitting information systematically and speedily and thereby filling the information hiatus that exists between the two regions as also the appointment of a Commissioner General for Economic and Commercial Affairs for the Gulf region.

On the question of remodelling the export strategy to the Gulf region, the FICCI Delegation emphasised the need for augmenting supplies of goods even at the cost of domestic consumption. The examples of such supplies could be basmati rice, sugar, cement, steel structurals, steel wires and rods and even billets. There would also be possibilities of Arab businessmen setting up enterprises in India on a negotiated basis. The industries in which interest has been conveyed to the Delegation include fertilizers, newsprint, sugar, vanaspati, cement and meat products. The fields, in which India can set up enterprises in the Gulf region are also wide open. Opportunities for such joint ventures by India are sought to be in petrochemicals and related areas as also in a wide spectrum ranging from infrastructural development (ports, ship repair facilities, tanker fleets, pipelines, sewers and roads) to specific industries such as fertilizers, cement, food processing and consumer goods of all types. Other industries which could be set up in the Gulf region would be those where power and gas is a raw material such as aluminium smelting and mini steel plants. Already

Indian industry has achieved some success in setting up projects for the manufacture of cement on a turnkey basis, supply of transmission line towers and power cables. Project reports have been prepared for numerous other industries including fertiliser, sponge iron plant and so on. Another area in which Indian expertise has come to be recognised relates to geological exploration. Most of the countries in the Gulf region are undertaking mineral exploration programmes. The Delegation suggested that the Geological Survey of India and other similar agencies be requested to supply personnel for such works, specially in Iraq, Oman and Saudi Arabia. This will open up potential for sale of equipment both for surface and deep mining. Indian experience in establishing industrial estates for promoting growth of small scale and medium industries would also be of considerable relevance to the countries in the Gulf region. For securing turnkey projects for civil construction works, a consortia approach has been recommended by the Industrial Delegation.

In the opinion of the Delegation "India's trading opportunities in the region (Gulf) are immense. These countries will remain good markets for India's textiles, a number of traditional items such as sugar, rice and cement; the thrust for our export effort must come from engineering goods."

The countries visited by the Delegation are Oman, United Arab Emirates, Qatar, Bahrain, Kuwait, Saudi Arabia and Iraq. To Oman, Indian exports during 1973-74 totalled Rs. 58.7 million while her imports were of the value of Rs. 2.9 million. The exports consist of building materials, cotton textiles, iron and steel, machinery and transport equipment as also tea and spices. The rising oil income of the Oman economy has generated sizeable import demand and among others, Indian industry can explore possibilities to export items such as air conditioners, cement, food products, furniture, hosiery, household appliances, hardware, machine tools, machinery, metal manufactures, meat and meat products, readymade garments, sewing machines, spices, sugar, tea, textiles and vehicles including trucks, jeeps, fork lifts, and tractors. The Delegation also reported prospects of India's entering into joint collaboration agreements to set up industries like aluminium fabrication, cold storage, cotton textiles, diesel engines and pumps, tube

well drilling, fertilizers, glass manufacturing, ice factories mosaic tiles, petrochemicals, plastic products, refrigeration and airconditioning steel rolling mills and wires and cables.

Indian exports to Abu Dhabi and Dubai aggregated Rs. 34.4 million and Rs. 212 million respectively. The main items of Indian supply to Abu Dhabi have been tea, iron and steel, spices, cotton piecegoods, household equipment, chemical elements and compounds. To Dubai the major exports are cotton textiles, tea, foodstuffs, spices, cinematographic films and machinery. To the United Arab Emirates as a whole the products cited by the Delegation as having export potential included automotive spare parts, agricultural machine and equipment, air conditioners, building materials, commercial vehicles, diesel engines and pumps, electrical equipment, fans, fresh fruits and vegetables, jewellery, meat and meat products, perfumes and scent. The scope for joint ventures between India and U.A.E. is also immense and the areas in which Indian assistance can prove helpful to U.A.E. include asbestos sheets, assembly of airconditioners and refrigerators, automotive batteries, cement grinding, electrical appliances, furniture, glass products, leather goods, pipes and pipe fittings, plastics, sanitary wares, mini-steel plants, steel rolling mill, timber fabrication, wires and cables.

Qatar is another important country in the Gulf region for Indian exports which were valued at Rs. 67.5 million during 1973-74, mainly in the form of building materials, food stuffs, clothing, automotive parts, plant and machinery as also some electrical goods. Exports of engineering goods to this country have been increasing and amounted to Rs. 13.6 million in 1973-74. India's export prospects to Qatar relate mainly to agricultural equipment and appliances, army software, bleaching powder, cosmetics, diesel engines, furniture, machinery, perfumes, power cables, sanitary wares, sulphuric acid, slotted angles, switch gears, textiles, transmission line towers, and tubes and pipes. There would also be scope for export of other items like pipe fittings, internal combustion engines, industrial fasteners, heating and cooling equipment, electrical machinery, scientific instruments and footwear. The export potentialities of further sales from India to Qatar alone would earn app-

approximately Rs. 10 million in the near future. There are other projects where India can join hands with Qatar and some of the examples of the industries would be assembly unit for airconditioners, refrigerators and water coolers, cables and wires, expansion of cement plant, fertiliser plant based on natural gas, integrated fishery complex, petro Chemical Complex, shipyard repair workshop, and sugar refinery based on imported raw sugar.

During 1973-74, Indian exports to Bahrain amounted to Rs. 88.6 million while her imports totalled Rs. 69.4 million. Indian exports to this country have generally been traditional goods although new items in the engineering and chemical sectors have come to find their way. Transport equipment, electrical items and construction materials are particularly gaining ground, apart from traditional products, particularly fruits and vegetables cotton textiles, jute manufactures, tea and coffee. The export prospects from India to Bahrain as cited by the FICCI Delegation include bakery products, dyestuffs drugs and chemicals, electrical machinery, furniture, footwear, machinery and transport equipment, metal manufactures, meat and meat products, pipes and tubes, rice and cereals, sanitarywares, sugar, textiles and clothing. A trade delegation from Bahrain visited India in early 1973 and showed keen interest in Indian products like diesel engines, pumps, building materials, surgical instruments, airconditioning equipment and so on. The scope for Indian knowhow in joint ventures in Bahrain would be mainly in areas like electrodes, electroplating and galvanizing, food canning, non-ferrous foundry, paints and varnishes, pharmaceutical products, sugar refinery and wires and cables

Indian exports to Kuwait amounted to Rs. 208 million in 1973-74 in which year her imports from Kuwait were valued at Rs. 711 million. The growing balance of trade against India is largely on account of increased imports of petroleum and to an extent fertilizers. Indian exports on the other hand are fairly diversified including foodstuffs, fruits and vegetables, spices, meat, tea, jute manufactures, cotton textiles, clothing, machinery and transport equipment, metal manufactures, iron and steel, jewellery and embroidery products. There has been a significant rise in some non-traditional exports like insulated wires and cables, finished structurals of iron and steel, iron and steel tubes and fittings, iron and steel rods, domestic utensils, hand-

tools, electric apparatus and furniture. Apart from traditional items, the most promising field for Indian exports to Kuwait lie in the engineering sector. Indian exports of engineering goods to this country have already been showing uptrend (Rs. 40 million in 1973-74). Also India has made some impact in the Kuwaiti market by winning a number of important contracts. They include among others supply of cables, valuing around Rs. 30 million, steel structurals for the Kuwaiti International Airport, for which the fabrication work is being done by an Indian party. The Delegation feels that India can also supply material and equipment for several projects that were being set up in Kuwait such as Electrical power generation plant, low cost housing units, water desalting plants, hospitals and other projects like airports, telecommunication complex, earth satellite station and so on. Besides, there is a good demand for items like building and construction materials, computers and related equipment, finishing machine and equipment, food processing and packaging equipment and metal working machines. Several medium and small scale areas have been referred to by the Delegation as having scope for joint ventures in Kuwait and these include assembly of airconditioners, refrigerators and watercoolers, automobile tyres, asbestos cement, batteries, boat building, conduit pipes, cement manufacture, electric meters, fluorescent lamps and tubes, garments factory, glass products, general purpose lighting lamps, paints and varnishes, sugar refinery and so on.

While Indian imports from Saudi Arabia amounted to Rs. 1314 million, her exports were valued at Rs. 254 million in 1973-74. Indian exports included spices, tea, cotton textiles, cereals and cereal preparations, tobacco as also new manufactures like machinery and transport equipment, manufactures of metal including iron and steel. Some of the items that have been identified as having export prospects for India are brasswares, canned foodstuffs, cement, diesel engines and water pumps, electric fans refrigerators, coolers, imitation and semi-precious jewellery, rice, household goods including kitchen utensils, sewing machines, steel pipes and tubes, sugar, sanitarywares and fittings. The export illustrative list of industries in which India and Sudi Arabia can collaborate has also appeared in the Report of the industrial Delegation. The list includes agricultural equipment, agro-based industries like canned fruits, aluminium

smelter, aluminium fabricated materials, asbestos cement sheets, automobile and bicycle parts, barbed wire mesh and nails, cast iron pipes, electrical fittings, petrochemicals steel containers, safety matches, tiles, vegetable and other edible oils. One Indian firm has already undertaken to set up a rubber products manufacturing unit in Saudi Arabia on a joint venture basis. In the past too a number of projects for manufacturing items like vanaspati, refrigerators, coolers, asbestos cement products, and transistor assembling were initiated by Indian entrepreneurs.

To Iraq Indian supplies were valued at nearly Rs. 200 million during 1973-74 while the value of her imports was more than three times her exports. Apart from petroleum which accounts for the major proportion of Indian imports from that country, the other major item of import has been dates. Indian exports, however, present a fairly diversified picture of products ranging from tea, jute manufactures, cotton manufactures, embroidery and transport equipment to iron and steel manufactures and rubber manufactures. An agreement was signed between the two countries in April, 1973 establishing an Indo-Iraqi Joint Commission for economic trade and technical cooperation. Under the Agreement, India agreed to supply a variety of goods and services for a number of projects in Iraq including a railway project, power transmission facility, ship building and repair facilities, machinery and equipment for manufacture of items of light engineering goods, wires and cables. In March 1974 another agreement was signed between the two countries in which Iraq agreed to extend a soft loan to various Indian purchases of Iraqi petroleum. Iraq has a promising market for a variety of Indian products including auto components, construction equipment and building hardware, engineering and electrical goods, jute goods, pumps and diesel engines, besides rice, sugar and tea.

DEPUTY COMMERCE MINISTER IN THAILAND

Mr. Vishwanath Pratap Singh, India's Deputy Commerce Minister presented three sets of machinery

to the Royal Government of Thailand in his recent visit to that country.

The machinery which are worth approximately Rs. 112000 are central lathe, milling machine and generating and welding set for small scale industry. The machinery was presented to Mr. Surin Thepkanchana, Thai Minister of Industry.

While receiving the machinery, Mr. Thepkanchana said that this gift would not only demonstrate excellent relationship between the two Governments but would also show that Indian Government has increasingly provided technical assistance in one form or the other to Thai Government. Through Colombo Plan, Indian Government has given some 30 fellowships to the staff of Thai Ministry of Industry during initial establishment of their small industry service institute. They were sent to be trained in specialised fields of metal working industry in India. Later on more fellowships were given to personnel of the Ministry to attend training courses in small industry extension and training, handloom weaving and silk reeling in Hyderabad, Banaras and Mysore. The last gesture of the Indian Government has once again indicated willingness of India to further provide technical assistance to this country, said the Thai Minister.

India's Deputy Commerce Minister also held discussions with the Lac Exporters Association, arranged by Thai Commerce Ministry. He was interested in knowing views of the Thai Lac Exporters as India and Thailand are the only countries exporting lac and lac products. The lac Exporters Association expressed their wish to collaborate more closely with India to resolve difficulties of lac trade.

IRON ORE TO JAPAN

The Minerals and Metals Trading Corporation of India has finalised contracts for supply of over 10 million tonnes of iron ore to Japan during 1975-76. This represents a marginal improvement over the last year's

performance notwithstanding the current recessionary trends in Japan.

India's exports of iron ore totalled 23 million tonnes and were valued at Rs. 1279 million during 1973-74. Of this, Japan alone accounted for an intake of 18.67 tonnes worth Rs. 1034 million.

India ranks seventh resource-wise and ninth production-wise among the iron ore producing countries of the world. Total reserves of iron ore in the country are of the order of 10,536 million tonnes, made up of 8,621 million tonnes of hematite and 1,915 million tonnes of magnetite.

The production of iron ore during 1973-74 totalled 35.34 million tonnes —11.59 million tonnes for internal consumption and 23.75 million tonnes for exports. According to present projections, the output in 1978-79 will be 58.50 million tonnes—23 million tonnes for domestic use and 35.50 million tonnes for export.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ENCOURAGING PRODUCTION BY HEAVY INDUSTRY UNITS

Production performance of fifteen Public Sector undertakings and Government-managed units under the Department of Heavy Industry, has been remarkable for its record production valued at Rs. 5570 million in 1974-75. Compared to the actual production worth Rs. 4090 million in 1973-74, there has been an increase of 36 per cent. In 1972-73, the actual production was only worth Rs. 2810 million. The Department of Heavy

Industry has now set a production target valued at Rs. 7250 million for 1975-76.

The production target for 1974-75 was set at Rs. 5660 million. Some of the units which have shown achievement near or above the target are Bharat Heavy Electricals Limited (110 per cent), Jessops (103 per cent), Richardson & Cruddas (97 per cent) Braithwaite (97 per cent), Hindustan Machine Tools (92 per cent), Indian Standard Wagon-Burn (92 per cent), Mining and Allied Machinery Corporation / (92 per cent), Heavy Engineering Corporation (88 per cent), Machine Tool Corporation of India (87 per cent), & Gresham & Cravan (81 per cent). It is a heartening feature that ISW-Burn, Gresham & Craven, Braithwaite and Jessops, whose management was taken over by the Government due to their poor performance, have all improved their production significantly as compared to 1973-74.

Among the highlights of production in these undertakings during 1974-75 is the manufacture by BHEL of power equipment totalling 2950 MW as compared to 2100 MW in 1973-74. During this year, they delivered the first 236 MW nuclear generating set to the Madras Atomic Power Project. Similarly Jessops delivered a 300-tonne ladle crane to TISCO. It is the first time that such a crane has been manufactured in the country. The manufacture of the highly sophisticated 262-tonnes cyclotron magnet assembly for the Bhabha Atomic Research Centre by the Heavy Engineering Corporation (HEC) during the year was another major achievement. The HEC also completed the manufacture of a 450-tonne cone crusher, the largest manufactured so far in the country. During the year, Scooters India Limited also started production of the Vijai scooter in their new factory at Lucknow. The Mokameh Unit of Britannia Engineering and Arthur Butler, which were lying closed and were taken under Government management, were restarted.

It is expected that the combined profits of all these units in 1974-75 will be about Rs. 310 million as against a figure of Rs. 110 million for 1973-74. These units had incurred a loss of Rs. 90 million for 1972-73.

It has also been noted that in the nodal areas of transport machinery, agricultural implements and machine

tools, which are largely accounted for by private enterprise, a significant spurt in production has been recorded despite severe constraints in terms of infra-structural inputs, such as power, transport and also certain materials, persisting throughout the year. Areas where a significant improvement has been registered are tractors, scooters, motor-cycles and mopeds, textile machinery, cement machinery, paper machinery, sugar machinery, rubber machinery and machine-tools as a group. The range of increase in production varies between 12 per cent and 33 per cent. The level of increase in all these sectors has been remarkably higher than the overall rate of industrial growth.

RECORD PRODUCTION OF COPPER

The State-owned Hindustan Copper Limited has reported a record production of 15,800 tonnes of blister copper in 1974-75 which was a 22.5 per cent increase over the previous year's output of 12,900 tonnes. The production target for 1975-76 is 23,000 tonnes (15,000 tonnes at Ghatsila and 8,000 tonnes at Khetri).

Besides producing copper and alloys like brass in various forms, the company is either already producing or has plans to market from its units byproducts including sulphuric acid, triple super phosphate fertiliser, nickel sulphate and selenium. It is also to produce some quantity of lead concentrates and precious metals in the near future. The management of the Indian Copper Complex (ICC) Ghatsila which was an undertaking of Indian Copper Corporation was taken over by the Government of India in March 1972 and it was finally handed over to M/S. Hindustan Copper Limited in September 1974. The constituent units of the Hindustan Copper Limited are Khetri Copper Complex (Rajasthan), Indian Copper Complex Ghatsila (Bihar), Rakha Copper Project (Bihar), Dariba Copper Plant (Rajasthan), Agnigundala Lead Copper Project (Andhra Pradesh), Malanjkhand Copper Project (Madhya Pradesh) and Chandmari Copper Project (Rajasthan).

The wire bar casting plant set up at a cost of Rs. 15 million at the Khetri Copper Complex has been just commissioned. The concentrator plant at the Rakha Copper Project having a daily capacity of 1000 tonnes and the acid cum-fertiliser project involving an outlay of Rs 200 million at Khetri are also to be commissioned in the course of the current year.

For the first time silver and gold are to be extracted as byproducts from copper ore by the Hindustan Copper Limited at its precious metals plant in the Indian Copper Complex Ghatsila, it is learnt. The plant is to be commissioned in May 1975 to recover 800 kgs of silver and 80 kgs of gold in a year.

HCL is confident of meeting over 70 per cent of the domestic requirements in 1975-76 at a copper output of 33000 tonnes (23,000 tonnes of production target and another 10,000 tonnes of production anticipated on the basis of imported concentrates). Even if the output of 10,000 is excluded, the 23,000 tonnes target based on indigenous concentrates is expected to meet 50 per cent of domestic needs in the year.

TRADE FAIRS AND EXHIBITIONS

INDIAN TRADE EXHIBITION AT DUBAI

Government of India, Ministry of Commerce, are organising an exclusive 'Indian Trade Exhibition' at Dubai (United Arab Emirates) from May 4-17, 1975. The primary object is to project the industrial image of modern India as well as to provide an opportunity to Indian leading manufacturers/exporters to introduce their quality products in the fast expanding economy of this region.

The Exhibition will cover an area of about 1500 square metres of covered space in the airport lounge at Dubai. Over 150 Indian firms are participating in this event, offering a wide range of manufactured products like diesel engines, pumps, generating sets, electric motors, air conditioners, construction materials, hardware, machine tools, air-conditioning equipment, furniture, electrical appliances automobile parts and so on. Most of the participants are deputing their top business executives to attend this Exhibition and conduct business negotiations.

Indian exports to Dubai improved from Rs. 80 million in 1972-73 to Rs. 212 million in 1973-74. In

these two years, the most important items of export were iron and steel (Rs. 3.9 million and Rs. 24.8 million), cotton manufactures (Rs. 16 million and Rs. 20 million), tea (Rs. 12.5 million and Rs. 20 million); rice (Rs. 6 million and Rs. 16 million); electric machinery, apparatus and appliances (Rs. 3 million and Rs. 9 million); inorganic chemicals (Rs. 3 million and Rs. 7.5 million); machinery other than electric (Rs. 2.8 million and Rs. 3.5 million); transport equipment (Rs. 1.9 million and Rs. 2.7 million); metal manufactures (Rs. 3.4 million and about Rs. 7 million); spices (Rs. 2 million and Rs. 7.6 million); developed cinematographic films (Rs. 5.8 million and Rs. 4 million); perfumery and cosmetics (Rs. 0.9 million and Rs. 1.8 million). Indian imports from Dubai totalled Rs. 0.56 million in 1972-73 and Rs. 1.2 million in 1973-74, the major items of import being pearls and precious stones.

Indian exports to another country in the United Arab Emirates, namely, Abu Dhabi improved from Rs. 12.6 million in 1972-73 to Rs. 34.4 million in 1973-74, while her imports from Abu Dhabi were negligible in these two years. The major items of Indian exports were steel tubes and pipes whose export value was of the order of Rs. 2 million in 1972-73 and Rs. 9.6 million in 1973-74. Among other items of export were metal manufactures (Rs. 0.8 million in 1972-73 and Rs. 2.2 million in 1973-74); lime, cement and fabricated building materials (Rs. 0.4 million and Rs. 2.3 million), electric machinery, apparatus and appliances (Rs. 0.6 million and Rs. 1.5 million), inorganic chemicals (Rs. 2.6 million and Rs. 1.4 million); textile yarn and fabrics (Rs. 1 million and Rs. 2.2 million) and non-electric machinery (Rs. 0.5 million and Rs. 0.6 million).

Besides export of commodities, India also was approached to supply its technical knowhow for certain products in the United Arab Emirates. A team from Metallurgical Engineering Consultancy Services Limited (MECON), Ranchi, have carried out a feasibility study for a sponge iron cum steel plant in Dubai. The help of the company has also been sought to conduct a study for a similar project in Abu Dhabi also. The Fertilizer Corporation of India is to send a technical team to U.A.E. to draw up feasibility reports for a fertilizer plant. There is a proposal to set up a joint venture pro-

ject in Dubai for the manufacture of cylinders and tanks for liquid petroleum gas with the assistance of a Bombay firm.

THIRD TEHRAN INTERNATIONAL TRADE FAIR

Ministry of Commerce, Government of India, have decided to participate in the forthcoming Third Tehran International Trade Fair (Iran) scheduled to be held from September 13-24, 1975. India's participation in the event aims not only at projecting the image of modern Indian but also exploring collaboration possibilities.

At the Tehran Fair last year the business transacted, as reported by the participating Indian firms, was over Rs. 30 million. It is expected that leading Indian manufacturers/exporting organisations will take part in the forthcoming Tehran Fair and display their quality products. Iran with its fast developing economy offers a wide scope for a large number of Indian products.

Indian goods likely to be displayed at the Third Tehran International Trade Fair will include machine tools, railway wagons, hand and small tools, bicycles and parts, automobile ancillaries, electric equipment, house hold appliances, diesel engines, agricultural machinery, building material and hardware, iron and steel manufactures industrial machinery, textiles, food products, chemicals and dyestuffs, leather and rubber manufactures, and so on.

Indian exports to Iran have witnessed a substantial improvement from Rs. 246.5 million in 1972-73 to Rs. 426.8 million in 1973-74. The principal group of products supplied were cotton manufactures excluding yarn and clothing (Rs. 2.3 million and Rs. 55.28 million), jute manufactures (Rs. 72 million and Rs. 51 million) transport equipment (Rs. 18 million and Rs. 46 million); tea (Rs. 37 million and Rs. 46 million); iron and steel (Rs. 16.6 million and Rs. 33 million); copper (Rs. 26 million and Rs. 19 million); animal feeding stuff (negligible and Rs. 15.5 million); textile fabrics other than cotton and jute (negligible and Rs. 26.7 million); machinery

other than electric (Rs. 5 million and Rs. 16.50 million); metal manufactures (Rs. 24 million and Rs. 13 million); electric machinery and apparatus (Rs. 78 million and Rs. 7.2 million); glass and glassware (Rs. 2.5 million and Rs. 2.9 million); aluminium (Rs. 6.6 million and Rs. 7.5 million); iron ore (nil and Rs. 2.6 million); textile yarn and thread (Rs. 1.2 million and Rs. 4.5 million); spices (Rs. 4.5 million and Rs. 5.9 million); chemical elements and compounds (Rs. 1 million and Rs. 2 million and paper and paperboard (Rs. 2.6 million and Rs. 7.8 million).

Apart from petroleum and petroleum products, most important items of import from Iran into India have been crude sulphur (Rs. 27 million in 1972-73 and Rs. 74 million in 1973-74); fruits and vegetables (Rs. 10.5 million and Rs. 24.4 million); chemical elements and compounds (Rs. 0.4 million and Rs. 4.3 million); manufactured fertilizers (nil and Rs. 3 million); naphtha (nil and Rs. 3.5 million) and so on.

The joint venture prospects between Indian and Iranian parties under implementation or under consideration are in the manufacturing fields of automobile spare parts and components, malleable castings, shock absorbers, steel rolling mills, textile plants and bright bars. Also it has been recently decided to form a joint shipping line for Irano-Hind Shipping Company with initial capacity of 500,000 DWT to operate between the two countries. It has also been agreed to set up an aluminium plant with an annual production capacity of 300,000 tonnes in India with Iranian assistance. Iran has also agreed to finance the Kudremukh Iron ore project in India to lift its entire production of iron ore.

Trade between India and Iran has come to assume growing proportions in recent years. It is hoped that India's participation in the Tehran Fair will open up further opportunities of mutual trade.

INDIA'S STEEL INDUSTRY ACHIEVES ALL-TIME PRODUCTION RECORD

The year 1974-75, was a significant year for India's steel industry. The production of saleable steel at the

five integrated steel plants in the country during the year was an all-time record. Output in 1974-75 was 4.89 million tonnes, as compared to 4.35 million tonnes in the previous year—representing an increase of 12.4 percent.

The biggest contribution to the total steel production continues to be from Bhilai and TISCO (Tata Iron & Steel Co.). In the second half of 1974-75, the operations at Bhilai had shown a particularly significant improvement with the plant operating at a rate of 1.82 million tonnes of saleable steel per annum, which is equivalent to 93 percent of the rated capacity. The corresponding figure for Rourkela was 78 percent of the rated capacity for the same period. This indicates an improved trend in capacity utilisation.

Considering that Rourkela is the main plant producing plates and flat products, which are in great demand, the Plant's all-time record output has helped to provide larger quantities of these critical categories of steel for industrial development. With a better monsoon and improved in-plant power generation, Rourkela is planning to increase the production further in 1975-76.

Durgapur Steel Plant registered an increase of 38 percent in production as compared to the previous year's performance.

The Alloy Steels Plant at Durgapur has made an important breakthrough. During the second half of 1974-75, the capacity utilisation at the plant was 89 percent in terms of ingot steel and 60 percent in terms of saleable steel.

The first 1.7 million tonne stage of Bokaro Steel Plant (upto hot rolling mills) as well as the intermediate 2.5 million tonne stage, will both be completed by December 1975, when all the units concerned will have gone into operation. The Cold Rolling Mill Complex relating to the first stage will follow a year later.

The Annual Report of the Steel Department of the Ministry of Steel and Mines, says that many major units of Bokaro, including two Coke Oven batteries, one blast furnace, two oxygen converters in the Steel Melting Shop and the Slabbing Mill have already been commissioned. The Hot Strip Mill, which is to be commissioned by the middle of this year, will be one

of the largest mills of this type in the world. Work will also be completed this year on additional coke oven batteries, blast furnaces and oxygen converters.

Bokaro's second stage of 4 million tonnes is scheduled to be completed by December 1977.

About nine million tonnes of various raw materials—iron ore, coal, limestone and dolomite—are required by Bokaro in its first stage. After expansion to 4 million tonnes, the requirements will go upto about 18 million tonnes. Arrangements are under way to meet these requirements.

Under new capital schemes in the steel sector, Bhilai, which is to be expanded from 2.5 to 4 million tonnes, will also have a new refractory plant, which will supply refractories to all integrated steel plants. The project is estimated to cost about Rs. 280 million.

At Rourkela, construction of the new spirally-welded pipe unit is being speeded up and it is expected to be completed within a year. The object is to supply the pipe requirements of the Mathura Refinery to the maximum extent. The unit, with an annual capacity of 55,000 tonnes of pipes, will cost about Rs. 150 million.

At Durgapur steel plant, an additional half coke oven battery is being set up at an estimated cost of Rs. 50 million.

The Detailed Project Report for the Special Steels Project at Salem (Tamil Nadu), received from the Consulting Engineers in December 1974, is being examined by an Expert Group, says the Report. In the first stage of this project, facilities will be set up for the production

of 30,000 to 35,000 tonnes of cold rolled stainless steel sheets and strips per year, initially with imported hot rolled coils. The Consulting Engineers are now carrying out detailed engineering for the first phase.

For the other two steel projects in the South at Visakhapatnam (Andhra Pradesh) and Vijayanagar (Karnataka), detailed Project Reports are expected to be ready in the second half of 1976.

In the context of inadequate availability of ferrous scrap for mini-steel plants, the development of an alternative feed stock like sponge iron assumes particular significance. For production of sponge iron, iron ore and non-coking coal, both of which are available in abundance, can be used. A suitable technology for production of sponge iron based on solid fuels is being developed. Experiments have already been carried out at the National Metallurgical Laboratory, Jamshedpur, using solid fuels and the results are encouraging. In foreign countries, the use of natural gas as reductant has already been established for production of sponge iron on commercial scale.

The improvement in the levels of efficiency and productivity achieved during 1974-75 was possible principally due to very close and effective liaison with the agencies supplying power, coal and railway movement and also due to the close co-operation extended by the workers and trade unions.

Overall Steel production in 1975-76 is expected to substantially increase over and above the all-time record production of 1974-75. This will enable the country to meet its own requirements and also export nearly a million tonnes of pig iron and steel products earning over Rs. 1000 million in foreign exchange. □

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EXPORT PROGRESS OF SELECT PUBLIC SECTOR PROJECTS

Many of India's public sector units have been active in securing substantial sums of foreign exchange through their export effort. The Ministry of Industry and Civil Supplies, Government of India, has mentioned in its Annual Report for 1974-75 of the export progress of many of the public sector units falling under its purview. M/s. Bharat Heavy Electricals Ltd. (BHEL) secured export orders worth about Rs. 250 million under International Development Agency and additionally their exports were worth Rs. 34.20 million in 1973-74. Their major exports were in respect of boilers, transformers, capacitors, motors and switchgears to Malaysia, Kenya, Iraq, Arab Republic of Egypt, Indonesia and so on. Some orders were received by them from countries like West Germany, U.K., U.S.A. and Australia.

The Indian Consortium for Power Projects Ltd., now a part of BHEL is executing an export order worth Rs. 11 million.

M/s. Triveni Structurals Ltd. have secured two export orders from Zambia; one for gates for Water control of the value of Rs. 9.10 million and the second for penstock linings of the value of Rs. 3.90 million. They have also obtained a large order valued at Rs. 10 million for supply of transmission towers to Malaysia.

Machine tools worth Rs. 37 million were exported in 1973-74 and in 1974-75 the exports are expected to reach Rs. 45 million; of these the major share would be that of Hindustan Machine Tools.

M/s. Engineering Projects (India) Ltd. has achieved a major breakthrough in the export markets by recently obtaining three export contracts from Kuwait, Yugoslavia and France. The total value of their export orders so far is about Rs. 88 million. Also, EPI is to take up

coke oven and other projects in Europe and African countries.

M/s. Tungabhadra Steel Products Ltd. (Tungabhadra dam) has for the first time secured export orders worth Rs. 0.55 million for electric sub-station structures from Cambodia, Iraq, Kenya and Malaysia.

M/s. Scooters India Ltd. has received promising enquiries from the U.K., the U.S.A., Columbia and Iran for their two-wheelers. For 1975-76, the company has set a target of exporting 7000 two-wheelers. The foreign exchange earning on this account is expected to be about Rs. 25 million.

The National Industrial Development Corporation Ltd. has earned growing appreciation in developing countries for its consultancy services. Under existing five year collaboration with the National Development Corporation of Tanzania, NIDC continues to provide consultancy services for many projects such as for setting up of a billet casting plant and also an Agricultural Farm Implements plant in Tanzania. The Nepal Industrial Development Corporation continues to utilise the services of NIDC on various industrial projects. The work on the steel meltings and on billet casting plant in Libya as also for the setting up of an industrial estate in Zanzibar continues to be in progress. NIDC's export earning through supply of consultancy services amounted to Rs. 1.39 million. Its foreign exchange earning over a period of eight years upto March 1974 totalled Rs. 6.3 million.

M/s. Instrumentation Ltd. Kota are executing the supply of implementation systems for three units of power plants to be established at Port Dickson in Malaysia. During 1974-75, the company secured another turnkey order valued at Rs. 0.7 million for the supply of instrumentation and control equipment for a 30 MW power plant in Malaysia.

M/s. Tannery and Footwear Corporation of India, Kanpur has emerged as an important exporter of finished leathers, footwear, shoe uppers, saddlery and harness belts to markets including USSR, Australia, West

Germany, Sweden, Italy, France, Japan, USA, UK and Iraq. The Corporation has signed a contract with the Government of Iraq for export of 300,000 pairs of boots worth about Rs. 20.50 million. The contract is under execution.

The above is only illustrative. There are several other public sector projects like Hindustan Steel Ltd., Mazagon Docks Ltd., Shipping Corporation of India,

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ON INDIA'S MACHINE TOOL SECTOR

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Indian Telephone Industries Ltd., Bharat Electronics Ltd. and so on which not only contribute to the growth of India's export earnings but conserve the outgo of sizeable foreign exchange by way of import substitution.

INDO-PHILIPPINES TEXTILE MILL PROJECT

In keeping with the progress achieved by the Indian Textile Industry in recent years, the Eastern Spinning Mills Ltd. of Calcutta, is reported to have entered into a joint venture with Sisval Enterprises Inc. of Philippines for setting up a Textile Mill (Spinning Unit) in Bo. Lambakin, Marilao, Bulcan.

The spinning Mill is designed to install 15,000 Ring spindles geared to produce about 7000 kg of spun yarn with average count of 25. c.c. The mill is expected to start operations early next year.

The joint venture is approved by the Board of Investment on the non-pioneer status and is registered with Securities and Exchange Commission in the name of Indophil Textile Mills Inc. with offices at 601 Campos Ruada Building, Tindalo Street, Makati, Rizal, Philippines.

A net importer of textile machinery only a few decades back, the textile industry in India is today not only in a position to cater to home demand, even for sophisticated equipment, but has also been earning growing volume of foreign exchange. During 1973-74 India-made textile machinery fetched Rs. 47 million in foreign exchange as against a little over Rs. 43 million in the preceding year. The export range included items like spinning ring frames, processing machines (other than for synthetic fibres), knitting machines, textile driving machines and a host of accessories. Czechoslovakia, German Democratic Republic, Hong Kong, Korea Republic, Bangladesh, Uganda, Libya and Tanzania were among the major export destinations.

India's annual installed capacity in the textile machinery sector (excluding spares and accessories) is estimated

at Rs. 500 million. Total production during 1973 (up to November) was estimated at Rs. 318 million while during the full year of 1972, it was of the order of Rs. 302 million. The quantum of imported raw material required by the industry is limited to only 5 per cent. The industry has an infrastructure to manufacture a complete range of spinning, weaving and processing machinery capable of catering to the requirements of sophisticated buyers.

EXPORT PERFORMANCE AND POTENTIAL

TRENDS IN INDIA'S EXPORT TRADE

The adverse balance in India's external trade has widened during 1974-75, notwithstanding the expectation that the country's export earnings would be in the range of Rs. 31000 to Rs. 32000 million against the target of Rs. 26000 million fixed for the year, according to the Annual Report of the Ministry of Commerce for this year. Actual exports have been placed at Rs. 23430 million during the first nine months of 1974-75 (April-December, 1974) which revealed a rise of 38.5 percent as compared to the exports in the same period of the preceding year. But the import bill in this period rose by 58.5 percent to Rs. 29280 million and thus India's balance of trade was adverse to the tune of Rs. 5850 million during April-December, 1974 as against a deficit of Rs. 1640 million in the corresponding period in the previous year.

The following table shows the balance of trade position from 1968-69 to 1974-75.

Year	Imports (c.i.f.)	(Rs. in million)	
		Exports (incl. re-exports)	Balance of trade
1968-69	19,086	13,579	—5,507
1969-70	15,827	14,133	—1,694
1970-71	16,342	15,352	—990
1971-72	18,245	16,082	—2,163
1972-73	18,674	19,708	—1,034
1973-74	29,209	24,832	—4,377
1973-74(April-Dec.)	18,550	16,910	—1,640
*1974-75(April-Dec.)	29,280	23,430	—5,850

*Provisional

The export growth rate was about 23 percent in 1972-73 and 26 percent in 1973-74. The rise by 38.5 percent even during the first three quarters of 1974-75 was due to higher unit value realisation and improved demand from almost all regions. The increase in exports in 1974-75 was notable particularly in respect of sugar, engineering goods, cotton textiles and jute manufactures. The export performance was also significant in value in respect of tea, cashew kernels, tobacco, coffee, chemicals and allied products, handicrafts, silver, lac, mica products, finished leather and so on. However, exports of oils, oilcakes and semi processed leather suffered decline as against the boom that they enjoyed in the previous two to three years.

The export quantum and value of major products during 1973-74 and the first half of 1974-75 (April-September, 1974) respectively was as follows: tea: 190 million kg. at Rs. 1449 million and 93.4 million kg. at Rs. 880 million; Jute manufactures 563000 tonnes at Rs. 2273 million and 355000 tonnes at Rs. 1694 million; engineering goods, Rs. 2013 million and Rs. 1410 million; cotton piecegoods 645 million sq. metres at Rs. 1602 million and 217 million sq. metres at Rs. 773 million; handicrafts Rs. 1640 million and Rs. 847 million; sugar 248,900 tonnes at Rs. 422 million and 240,600 tonnes at Rs. 1007 million; oilcakes 1.2 million tonnes at Rs. 1706 million and 376,800 tonnes at Rs. 436 million; cashew kernels 52300 tonnes at Rs. 744 million and 36,100 tonnes at Rs. 661 million and so on.

The impact of world inflation was felt more severely on the structure of the country's import trade than on the price advantage derived from her exports. Besides a steep rise in the import bill of petroleum crude and products, there was also a substantial rise in the imports of fertilisers, iron and steel and non-ferrous metals. The import value of major commodities during 1973-74 and the first half of 1974-75 (April-September) was as follows: foodgrains Rs. 4730 million and Rs. 2520 million; crude petroleum and petroleum products Rs. 5603 million (174 percent more than the previous year) and Rs. 5865 million; machinery Rs. 5406 million and Rs. 2720 million; fertilisers Rs. 1620 million and Rs. 1375 million (quantity imported was up by 16 percent while value rise was by 69 percent in 1973-74 thus reflecting the impact of price rise); iron and steel Rs. 2426

million and Rs. 1635 million (imports in terms of quantity actually declined by 17 percent in 1973-74 but value rose by 7.4 percent); non-ferrous metals Rs. 1396 million and Rs. 842 million (world prices of non-ferrous metals witnessed comparatively larger increase than that of iron and steel) and transport equipment Rs. 884 million and Rs. 468 million.

The unit value rise (in terms of percentage) of imports in 1973-74 was 16.5 in case of wheat, 148 percent for crude petroleum and products, 45 percent for fertilisers, 41 and 48 percent respectively for copper and zinc. The unit value recorded sizeable rise for raw cotton, edible oils and iron and steel also.

SECTOR-WISE EFFORTS TO PROMOTE INDIA'S EXPORT TRADE

The Government of India's policies to promote the country's export earnings have been indicated in the Export Policy Resolution, 1970. The Resolution mentioned sector-wise possibilities of export promotion and provided guidelines to remove hurdles standing in the way of export growth both from the supply and demand fronts. The Annual Report of the Ministry of Commerce for 1974-75 has given a picture of the progress achieved in pursuance of the aspirations expressed in the Resolution.

In the agricultural sector to start with, the objective is to promote direct exports, improve their output and quality and thereby improve exports of processed and finished goods based on them. As regards raw cotton, the output is sought to be raised by increasing the area under irrigated cotton, improving the yield of rain fed American cotton and increasing the yield of Deshi or indigenous varieties of cotton. A comprehensive scheme in 14 major cotton growing States is being pursued. Cotton production has improved to an estimated 6.5 million bales (180 kg in each bale) in 1974-75 from 6.2 million bales in the previous year.

Raw jute production is also sought to be promoted similarly. At present an area of about 44000 hectares of

jute is irrigated and this area is proposed to be extended to 230,000 hectares. The strategy in regard to this crop is to undertake intensive development in concentrated areas combined with extension of irrigation. An intensive jute/mesta district programme is underway and it envisages to extend the area under the crop to 400,000 hectares by 1978-79. In 1974-75, production of jute was 4.10 million bales and that of mesta was 0.90 million bales.

Oilseeds constitute another important raw material in the agricultural economy of India, cultivated over 16 million hectares (10 percent of total cropped area). The oilseeds production target for 1974-75 was 10 million tonnes. It is proposed to aim at a production of 55 million tonnes during 1973-74 to 1978-79 (V Plan) as against 41.5 million tonnes in the Fourth Plan. Though the irrigated oilseeds area is expected to increase during the Fifth Plan, still 85 percent of oilseeds area would continue to be rain fed. So the strategy is to increase the area of irrigated oilseeds, raise productivity per hectare and insulate oilseeds production from violent fluctuations.

Tobacco is another area mentioned in the Export Policy Resolution in view of its export potential. The target of the crop area extension for 1974-75 was up to 39,280 hectares with a production of about 25 million kg. of FCV tobacco. The target is expected to be achieved. The FCV variety was traditionally grown in black soil but since the quality grown in the light soil is now being preferred in the export markets, the cultivation has been extended to light soil. 75 percent of 1974-75's FCV output is to be of exportable standard.

Pepper production during 1974-75 was about 26,300 tonnes from an area of 121,700 hectares. While earlier schemes for promoting cultivation of hybrid pepper panniyar-I and adopting intensive cultivation practices have been continued, new measures are being introduced such as establishment of demonstration plots and large scale distribution of hybrid pepper. The output target for 1974-75 has been fixed at 31,000 tonnes and for 1978-79 at 38,000 tonnes. Additional production is

proposed to be achieved partly through expansion of area and partly through intensive cultivation. Emphasis has been laid on cultivating high yielding varieties.

As regards plantation crops, there are no governmental schemes to regulate their domestic prices (except for rubber) but there have been many moves to stabilise their prices in the world markets. In regard to tea, India has been taking initiative among major tea exporting countries under the aegis of FAO. A many-sided approach is under examination including minimum export arrangement, regulation of marketing and global promotion. In regard to coffee, India is a signatory to the International Coffee Agreement. In September 1974, the International Coffee Council decided to extend the coffee Agreement till 1976 without quotas and to have a 20 percent retention scheme whereby the producers planned to push up coffee prices.

An export target of Rs. 915 million has been fixed for marine products during 1974-75 as against an actual export realization of Rs. 895 million in 1973-74. Schemes have been formulated to increase production as well as making fishing operations more economically viable. The number of mechanised fishing boats has increased to 9300 besides 80 medium fishing vessels.

In the mineral sector, iron ore's export target for 1974-75 was fixed at 26 million tonnes-15 million tonnes by Minerals and Metals Trading Corporation and 11 million tonnes by Goan exporters. Several measures are being taken to increase the production of the ore and its export trade. A second large scale mechanised mine at Bailadila (Madhya Pradesh) and another mechanised mine based on Donimalai deposit (Karnataka) are among the projects on hand. Expansion of private mines in different parts of the country is also envisaged. Due to rising procurement costs and price hike in oil products, MMTC has been constantly urging Japanese steel mills to revise upward the price for supply of iron ore under yearly and long term contracts. Following negotiations in this connection, an increase of about 34 percent to about 40 percent over 1973-74's prices has been secured for supply of basic grade and

super high grade iron ore to Japan during 1974-75 and onwards. Another development in respect of iron ore exports was the Ministerial meeting in November 1974 of major iron ore exporting countries to discuss the unfavourable trend in terms of trade for the exporters. India took initiative for convening the meeting. Recently discussions were held for formation of an Iron Ore Exporters Association to promote consultation among the producing countries.

Among newer manufactures, engineering goods constitute the most important group of items which are likely to show substantial expansion in exports during the Fifth Plan period. Among the engineering goods, a number of items, particularly those involving high labour cost have already established themselves in a number of foreign markets. Besides, some others like bicycles and components, fans and sewing machines and other manufactures, particularly those with high value added, such as, pipes and tubes and bright bars are also in considerable demand abroad. Taking advantage of the present favourable situation for Indian engineering goods, Government is providing necessary inputs so that these goods make a real breakthrough and establish themselves firmly in markets abroad. During 1974-75, the exports are estimated to be much higher than the level reached during 1973-74 (Rs. 2013 million).

Despite severe constraints like raw material shortages and rising world prices of the raw materials, India's export performance in regard to chemicals and plastics has improved. While during the entire year 1973-74 the export value of chemicals and allied products amounted to Rs. 493 million, even during the first half of 1974-75, the value was as much as Rs. 436 million. Similarly, exports of plastics were worth Rs. 55 million and Rs. 38 million in the respective periods. Every effort is being made to assist the exporters in procuring raw materials at competitive prices, expand the production base and help in the marketing of products.

Export earning of coir and coir goods stood at Rs. 128.55 million during the first three quarters of 1974-75 while during 1973-74, it amounted to Rs. 155.50

million. An increase in unit value realisation has been recorded for these exports.

Leather has long been a major item in the export structure of the country accounting for an export of over Rs. 1800 million during 1973-74. The international leather industry experienced a boom in 1972-73. Leather prices shot up substantially. In the latter months of 1973 and in the beginning of 1974, the prices started showing a downward trend. Stringent financial problems are being faced by the leather industry all over the world and there are visible signs of recessionary tendencies. The current situation of the leather industry is not a happy one. As regards the promotional measures to develop the infrastructure for the export sector of the industry, the following steps have been taken : (i) all manufacturers of semi-finished leather have been allowed to instal capacity to manufacture finished leather without having to obtain licences for the purpose ; (ii) the list of chemicals and dyes which are allowed to be imported in the shopping list against replenishment licences has been expanded. Necessary action is being taken to set up common facility centres to enable the small tanners to switch over to production of finished leather.

The gap between the international and domestic prices, the reduced buying trend due to heavy stocks and anti-inflationary measures taken by the various importing countries have adversely affected Indian exports of textiles. To impart competitiveness to exports in international market, a combined obligation scheme for production of controlled cloth and export has been introduced effective from October 1974. The scheme provides for an indirect incentive by way of a set of 1 sq. metre of controlled cloth for production against exports of every Rs. 75 worth of millmade cotton garments. Some imports of medium staple cotton are also being arranged exclusively for export production, so that adverse price differential between the domestic and world cotton prices is neutralised. With the introduction of the scheme and certain measures contemplated by the cotton textile industry in India to meet the differential between India's textile export prices and world prices, the export trend witnessed by the textile industry in India is likely to improve in future.

EXPORT POSITION OF WOOLLEN CLOTH

Exports of woollen cloth which were valued at Rs. 542.70 million in 1973-74 rose to Rs. 544.70 million in the first eleven months of 1974-75 (April 1974 to February 1975). In the period under review in 1974-75 the quantity of woollen cloth exported was 529000 metres at a value of Rs. 15.84 million and the quantum of wool export was 4.7 million kg. at Rs. 62.12 million.

The major importers of woollen cloth are the UK, Denmark, Sweden, Hongkong, Singapore, USA, Zambia, USSR, Kuwait, Ethiopia, Democratic Peoples' Republic of Korea, Republic of Korea, Bangladesh and Australia.

Raw wool exports have declined in 1974-75 as compared to 1973-74. In fact these exports were as high as Rs. 86 million in 1961-62 but gradually fell to Rs. 68 million in 1973-74 and Rs. 62.10 million in the first eleven months of 1974-75. The reason is that more and more indigenous wool is being used for production of woollen products in India. With a view to make indigenous raw wool available at lower prices to domestic carpet manufacturers, raw wool export is subject to a ceiling and an export duty.

Major markets for raw wool have been USSR, UK and Belgium; these three markets account for 80 percent of India's wool exports.

In manufactured woollen products, carpets and druggets account for about 50 percent. The value of exports of Indian carpets to all countries during the first eleven months of 1974-75 was Rs. 254.75 million against Rs. 234.21 million in the full year 1973-74. Next in importance come hosiery goods which earned Rs. 185.57 million in the first eleven months of 1974-75 (Rs. 188.18 million in 1973-74). Exports of woollen/worsted/mixed fabrics in 1974-75 were valued at Rs. 15.85 million and those of woollen blankets Rs. 13.27 million. Shawls and rumals fetched Rs. 7.45 million and woollen readymade garments Rs. 5.58 million in the same year.

EXPORT OF COAL TO NEIGHBOURING COUNTRIES

India has been exporting limited quantities of non-coking coal to neighbouring countries. Coal exports have been canalised through the Minerals and Metals Trading Corporation since 1965.

During 1974-75, the exports totalled 476000 tonnes at a value of Rs. 75.80 million. These exports were directed to Bangladesh (398000 tonnes at Rs. 52.90 million) and Burma (78,000 tonnes at Rs. 22.90 million).

In 1973-74, the exports totalled 382000 tonnes at a value of Rs. 32.80 million, and were directed not only to Bangladesh and Burma but also to Sri Lanka.

PROGRESS IN PACKET TEA EXPORTS

India's packet tea exports excluding tea bags were 3.79 million kg. in 1973-74. The major importers are in West Asia and North Africa and to a certain extent in East Europe.

The country's export of tea as a whole was 190.27 million kg. in 1973-74 and 198.23 million kg. in 1972-73. The percentage of packet tea exports in total exports was only 2.51 percent in 1973-74 and 2.44 percent in the previous year. The value of packet tea exports in 1973 was Rs. 49.00 million (4.91 million kg.)

By way of encouragement to packet tea exports, the Government of India have devised measures such as promotional support to Indian packet tea exporters for marketing abroad, display and sampling of tea packets in foreign fairs and so on. The Tea Trading Corporation of India has been set up in the public sector to promote tea sales abroad in more sophisticated form, namely tea bags and instant tea.

INDIA'S INDUSTRIAL PRODUCTION IMPROVES

After a relative stagnation in industrial production in 1973-74, there has been noticeable improvement in India's production performance in the first nine months of 1974-75, according to the Annual Report (1974-75) of the Ministry of Industry and Civil Supplies of the Government of India. The output in critical sectors like saleable steel, coal and power has shown considerable improvement. Also public sector undertakings have registered rates of growth of over 20 percent during the period under review. The growth rate in the output of heavy engineering sector is noteworthy too.

The growth rate in the industrial production in the first nine months of 1974-75 is likely to be of the order of 2.5 to 3 percent as compared to 0.6 percent in the preceding year. The overall rate of growth in industrial production in the last five years (1970 to 1974) was not higher than 3.2 percent. Production in certain important sectors in 1974 was sluggish, for example, cement, aluminium and copper as well as textiles and vanaspati. There are a number of factors that tended the average rate of growth of industrial production in the recent period to be low. Among the factors that are commonly mentioned are shortages in the availability of indigenous raw materials, particularly for agro-based industries, power crisis, shortage in the supply of imported raw materials because of the foreign exchange situation and the energy crisis. Also, the country has experienced a high rate of inflation in the last two years.

A high rate of inflation would indeed have an adverse impact on production and new investments. In a determined effort to combat inflation, the Government of India took several anti-inflationary measures, particularly in regard to control of money supply. A tight monetary policy, while being an essential part of the anti-inflationary package, may have had effect on pro-

duction in the short run. Besides these factors, existing production capacity in many critical sectors such as steel, coal, power and fertilisers has not been utilised to the full extent.

To enable fuller capacity utilisation, certain measures have already been taken by the Government to provide flexibility wherever possible and to regulate production and consumption in essential areas. Industrial licensing is being speeded up by strengthening institutional arrangements. In priority areas where licensing restrictions have been coming in the way of fuller capacity utilisation, flexibility has been provided in dertermining the product-mix within the overall licensed capacity. Thus, manufacturers of machine tools and machinery industries and electric furnace units have been given the freedom to diversify their production on the basis of a special approval procedure.

While providing the needed flexibility, the Government have also been endeavouring to regulate production and/or consumption of products which are in short supply and whose use has to be regulated according to overall social and economic priorities. In respect of cement, for instance, a Cement Control Order was issued in August 1974 with the object of preventing the use for non-priority purposes and realising it for priority and export purposes. Similarly, in respect of paper, a production Control Order was issued in order to ensure the supply of white paper for school text books and other high priority usage.

In regard to small scale industries, the Ministry of Industry and Civil Supplies has reported that to enable existing small units to modernise their production processes and facilitate the growth of new viable units, there is a proposal to raise the ceiling for the small scale sector from Rs. 750,000 to Rs. 1 million and of ancillaries from Rs. 1 million to Rs. 1.5 million.

On present reckoning, prospects for 1975-76 certainly look more favourable than in 1974-75, because of the improved situation in respect of supply of basic industrial inputs like coal, steel and power.

PRODUCTION TRENDS OF SELECTED ENGINEERING INDUSTRIES

Item	Unit	1972-73	1973-74 (Provisional)
Mechanical Engineering Industries :			
Machine tools	Mill. Rupees	626	692
Sugar mill machinery	"	182	221
Cotton textile machinery	"	399	456
Cement machinery	"	41	70
Railway wagons (including output of Railway workshops)	'000' nos	10.8	12.2
Automobiles (total)	"	89.4	99.4
(i) Commercial vehicles (buses, trucks, tempos, three-wheelers and four-wheelers)	"	38.1	42.5
(ii) Cars, jeeps and land rovers.	"	51.3	56.9
Motor cycles and scooters	"	116.7	124.0
Power driven pumps	"	278.0	331.0
Diesel engines (stationary)	"	92.8	137.2
Deisel engines (vehicular)	"	2.2	2.6
Bicycles	"	2400	2581
Sewing machines	"	334	258
Electrical Engineering Industries :			
Power transformers	'000' kva	9712.0	11631.0
Electric motors	'000' hp	2768.0	2908.0
Electric fans	'000' nos	2467.0	2230.0
Electric lamps	Mill nos.	143.6	133.2
Radio receivers	'000' nos.	1826.0	1776.0
Electric cables			
(i) Aluminium conductors	'000' tonnes	77.0	47.6
(ii) Bare copper conductors	'000' tonnes	1.0	1.3

Source : Economic Survey, 1974-75, Government of India.

WIRES AND CABLES INDUSTRY— A REVIEW

Next to the automobile sector, wires and cables occupy an important position in the context of exports by India's engineering industry. Among the varieties of wires and cables that India can manufacture competently are ACSR band AAC conductors, winding wires, PILC and PVC power cables, PVC and VIR cables, dry core and coaxial cables and so on.

The country's production of ACSR and AAC conductors was 26000 tonnes in 1974, while in the previous year it was 58,150 tonnes. These conductors are manufactured currently by 42 units with a installed capacity of 109,625 tonnes.

Winding wires are of two types viz. enamelled winding and paper covered winding wires. The former variety is produced by 26 units with an installed capacity of 20,800 tonnes. Its actual output in 1974 was 13,000 tonnes. The output of the latter variety was 5000 tonnes in 1974, while its installed capacity is spread over 20 manufacturing units.

As for power cables, 11 units currently produce 14000 km of PVC category (1974) with a installed capacity of 13,710 km per year, while 7 units with an installed capacity of 9790 km produced 2400 km in 1974. It is estimated that the annual requirement of power cables would be about 35000 km by 1978-79. The annual demand would depend on the progress of power generation transmission and distribution programmes. Some of the raw materials required such as EC grade aluminium are in short supply at present. The bulk of the output of PILC power cables is directed to export channels.

PVC/VIR cables are another important variety of cables produced in India. Their production during 1974 was 530 million core metres as against an installed capacity of 1280 million core metres. The production is undertaken by 28 units. The total capacity covered by industrial licences is 1338 million core metres and by letters of intent 128 million core metres more. The main

reason for the low utilisation of capacity has been the shortage of EC grade aluminium.

Production of dry core and coaxial cables was 3500 km in 1974. The installed capacity of a single manufacturing unit in the line is 8250 km per year. The output of aluminium wire rods was 30000 tonnes (1974) against an installed capacity of 46,400 tonnes spread over 12 units. The production of bare copper conductors was 1400 tonnes in 1974 while the installed capacity is 14,200 tonnes spread over 4 manufacturing units.

House wiring cables are reserved for manufacture in the small scale sector.

The cables and wires industry of India has been active in the export market. Its export earning in 1973-74 totalled Rs. 110 million. Among the various customers abroad are USSR, Iran, Sri Lanka, Federal Republic of Germany, Arab Republic of Egypt, Sudan, Tanzania, Kuwait. Australia and so on.

INDIA'S FIRST RAILWAY CRANKSHAFT

India's first crankshaft for diesel locomotives has been manufactured by the Foundry Forge Plant of the Heavy Engineering Corporation, Ranchi. Earlier the component was being imported from USA.

The crankshaft, 14 feet long and weighing 2 tonnes, is made of special alloy steel with welded counter-weights, demanding a very intricate process of forging machining and also finishing. For this purpose the Plant made a special 23 feet high furnace of 12 feet diameter, which cost Rs. 2.3 million.

To begin with, the Plant is expected to produce 150 crankshafts annually. Production would, however, gradually go up to 250 per year.

The crankshaft will be mainly used in diesel locomotives manufactured in Varanasi. At present the plant is using some percentage of imported material which would be done away with by the end of this year.

INDIA'S COAL PRODUCTION TOUCHES ALL-TIME RECORD

Coal production in India reached an all-time record of 88.11 million tonnes during 1974-75, registering an increase of over 10 million tonnes over the production of 77.87 million tonnes in 1973-74.

The increase in production was achieved through the concerted efforts made by the Government and the coal producing organisations for maximising the production by better management, improved industrial relations, improved supply of essential inputs like power, steel, equipment and spares.

The significantly higher production during the year 1974-75 as compared to 1973-74 has been the result of better performance by all the coal producing agencies. The Coal Mines Authority produced 61.20 million tonnes in 1974-75, as against 53.46 million tonnes in 1973-74. The Bharat Coking Coal Ltd., (BCCL) produced 17.73 million tonnes in 1974-75 as against 16.34 million tonnes in 1973-74. The Singareni Collieries Company produced 6.18 million tonnes in 1974-75 as against 5.31 million tonnes in 1973-74. Captive mines of IISCO (Indian Iron and Steel Co.) and TISCO (Tata Iron & Steel Co.,) produced 3 million tonnes in 1974-75 as against 2.76 million tonnes in 1973-74.

Another feature of the coal mining industry during the year that has gone by is a steady build up of pithead stocks. All the coal producing companies with the exception of BCCL, were holding higher quantities of carry over stocks at the pitheads.

With the increase in production and improvement in rail transport availability, supply to all priority consumers also increased considerably as compared to 1973-74. With the present tempo of production and wagon availability, it is expected that the demand of coal for all categories of consumers would be fully met by the middle of 1975 and India will be in a position to export about 1 million tonnes of Coal to the neighbouring and other countries in 1975-76.

ON INDIA'S MACHINE TOOL SECTOR

Total production of machine tools in India during 1974-75 was of the order of Rs. 750 million, according to the Department of Heavy Industry in the Ministry of Industry and Civil Supplies. The output value was Rs. 678 million in 1973-74 and Rs. 527 million in 1972-73. The machine tool industry has in fact surpassed the production target for 1974-75. (Rs. 730 million).

The progress of the machine tool industry in India can be judged from the fact that its output rose from Rs. 266.70 million in 1969 to Rs. 750 million in 1974-75. The country's reliance on imports which was 44.5 per cent in 1969 reduced to about 25 per cent in 1974-75. The present installed capacity of the industry is estimated at Rs. 1030 million and the capacity utilisation works out to about 73 percent. The number of units in the industry was 115 in 1974-75 as against 107 in the previous year. Many industrial licences and letters of intent have been issued to bridge technological and production gaps and some of these are for cold saving machines, production jig boiling machines, swiss type single spindle automatics, specialised grinding machines for the bearing industry, lamp making machinery, glass bottle making machinery, microbore tools and hydraulic equipment.

The largest manufacturer of machine tools in India, M/s. Machine Tools Ltd. contributed a production value of Rs. 270 million in 1974-75 towards the total output of Rs. 750 million. Another public sector unit under implementation viz Machine Tools Corporation of India Ltd. Ajmer, have taken up the production of two new types of machine tools, namely internal grinders and centreless grinders in addition to their existing three types of grinding machines. The Heavy Machine Tool Project of Heavy Engineering Corporation is to contribute Rs. 36 million. In the private sector also, most of the units have recorded progress in terms both of production quantum and product diversification.

During 1974-75, new items manufactured for the first time in India were automatic nut tapping machines, centreless grinder, bed type milling machine, numerical control lathe, friction screw press and diecasting machine of 400 tonnes capacity. In the year 1974-75, many new

projects have been undertaken. A Machinery Manufacturing Division for the manufacture of high precision machine tools required for horological industry has been set up by HMT. HMT's Hyderabad unit plans for production of lamp making machinery. In the field of new technology, a beginning has been made in developing Numerical Control Machine Tools at HMT and the Central Machine Tools Institute, Bangalore. In the field of research and development, CMTI has developed a number of designs many of which have been licensed for manufacture.

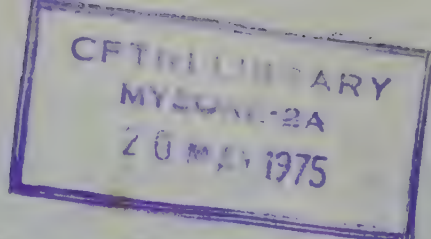
In the field of import substitution, the average import content of machine tools building in India which was about 21 percent in 1969 has been brought down to about 15 percent during 1974-75.

In the field of exports also, notable progress has been made. From Rs. 37 million in 1973-74, the exports were likely to go up to Rs. 45 million in 1974-75. Many of the leading machine tool producers today are receiving constant enquiries from dealers in foreign countries and

it is expected that in the coming years, machine tool exports would substantially increase. HMT has recently concluded collaboration agreements with local firms in Sri Lanka and Philippines for setting up machine tool plants in these countries.

Of the 115 machine tool manufacturing units in India today, 108 units are in the private sector and 7 in the public sector. The total licensed capacity is worth Rs. 1100 million (Rs. 500 million in public sector and Rs. 600 million in private sector). The installed capacity is worth Rs. 1030 million of which the share of public sector is Rs. 500 million and that of private sector is Rs. 530 million. Of the estimated total production worth Rs. 750 million, the contribution of public sector was Rs. 360 million and private sector Rs. 390 million.

The capacity target for the machine tool industry fixed by the end of 1978-79 is Rs. 1600 million. The industry is a priority one, categorised as a machine building industry, and as such its import requirements of raw materials and components are met in full. □



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INDIAN HOCKEY BALLS FOR THE NEXT OLYMPICS

The Hockey Balls manufactured by a firm in Jullundur (Messrs Hans Raj Mahajan & Sons Ltd. Jullundur) have been officially accepted by the International Olympics Association for the forthcoming Montreal Olympics in 1976. The first consignment of 500 Hockey Balls will reach Montreal by May 1, 1976.

The exclusive adoption of Indian Hockey Balls for the Montreal Olympics is a unique privilege, which is the outcome of the excellent past performance shown by the Indian manufacturers in the earlier events—Rome Olympics in 1960, Tokyo Olympics in 1964, Mexico Olympics in 1968 and Munich Olympics in 1972.

In India's export effort for sports goods, the Jullundur firm, a client of Trade Development Authority,

have made notable contribution. This is evident from their increasing export turnover from Rs. 3 million in 1971-72 to Rs. 11 million in 1974-75. Among the various items exported, the firm has earned the country a prestigious position in the market for hockey balls.

The firm is one of the large manufacturers and exporters of sports goods in India. Its product range includes hockey sticks, hockey balls, complete hockey gear, cricket bats, cricket balls and complete cricket gear, footballs and their accessories, in addition to tennis, badminton and squash rackets.

The firm is also actively engaged in pushing up the export of other items of sports goods. Recently, they contracted to supply 125,000 tennis and squash rackets to Dunlops and Slazengers Ltd.—leading manufacturers/exporters of sports goods. The firm is also currently dealing with the organisations of international repute such as Stuart Surridge & Co. Ltd., U.K. and John Wisden & Co. Ltd., U.K.

The firm is in the process of negotiating collaboration to manufacture sports goods in a unit which will be 100 per cent export-oriented. In order to promote exports to various markets, the firm has already appointed agents in 29 countries.

The Trade Development Authority has contributed in the spectacular expansion both in production and exports of various sports goods in the recent years. The estimated annual production of the industry is nearly Rs. 80 million and about 70 per cent of the production is exported. Despite keen competition in the world markets, there has been a considerable growth in exports from India. From a mere Rs. 12 million in 1968-69, the exports of sports goods have gone up to nearly Rs. 60 million in 1973-74. Exports in the first months of 1974-75 were worth Rs. 21 million as against Rs. 13 million in the same period in 1973-74.

The important items of exports from India during 1973-74 were footballs, rugby balls, football requisites, hockey sticks, tennis rackets and frames, sport nets, indoor games and equipment for outdoor games. The major markets for these goods are U.K., Australia, German Federal Republic, U.S.A., France, East Africa and Nigeria.

SCOPE FOR PROJECT EXPORTS FROM INDIA

Indian economy has developed capabilities for the production of industrial plants and machinery, power generation and transport equipment which could be exported not only to developing countries but also some of the more advanced countries of West, according to India's Minister of Commerce, Prof. D.P. Chattopadhyaya. Even in the developing countries of South East Asia and Africa, Indian efforts have not been sustained as they should have been. There are massive developmental programmes in the offing in countries like Indonesia, Thailand and Malaysia where India could enter in a significant manner. In areas such as power generation and transmission, road and rail transport, turnkey projects like cement plants,

water pumping plants, textile machinery and sugar machinery, India could offer equipment and expertise on more advantageous terms than some of the highly industrialised countries. The economy has considerable experience and expertise in the field of civil construction works; in view of the social development programmes undertaken in the developing countries particularly in the West Asia, India could and should attempt to establish herself in this field of export activity, stated the Commerce Minister.

During 1974-75 the country's exports of engineering goods exceeded the target of Rs. 2600 million and

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INDIA ENTERS SPACE AGE

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were around Rs. 3000 million. The export target for 1975-76 has been placed at about Rs. 3500 million. The Indian Minister of Commerce further stated while addressing the Association of Indian Engineering Industry recently that many of India's engineering items were covered by Generalised System of Preferences in the EEC countries and there were few restrictions or quotas except in a few cases. Trade Reforms Bill being adopted in the U.S.A. also contemplated preferential treatment for the products of the developing countries which would cover a large range of engineering goods. It would be worth while that these opportunities were made good by the Indian industry and trade, the Minister said.

EEC URGED TO EXTEND MODEL OF LOME CONVENTION TO INDIA

India has urged the European Economic Community to extend the model of Lome Convention to the developing countries in Asia. The Lome Convention, which took place at the end of February this year between the EEC and 46 other African, Caribbean and Pacific (ACP) countries, developed a model of comprehensive trade collaboration including preferential entry of commodities to European markets and financial aid to the developing countries in these regions. This request was conveyed by Prof. D.P. Chattopadhyaya, Union Commerce Minister, to Mr. Francois Xavier Ortoli EEC's President when the latter visited India recently.

The EEC's President promised to give due consideration to India's request and pointed out that the rate of growth of Indo-EEC trade during the recent past was encouraging. He emphasised the need for more commercial contacts and better flow of information between the Community and India. European consumers are aware of mainly the excellence of Indian handicrafts and not about the other sophisticated industrial goods that are produced in this country, he said.

Prof. Chattopadhyaya informed the EEC President that because of the development of technology and relatively inexpensive skilled manpower, India was in a position to offer better terms for certain products to the EEC countries. He identified iron and steel products and animal feed as the fields in which there was scope for further improvement of India's exports to EEC. He also emphasised the great prospects of Indo-EEC collaboration in third countries, specially in the Persian Gulf area, and pointed out that the imminent opening of Suez Canal would be of immense help in this direction. The intermediate technology that India could offer, would be more suitable to the developing regions where such joint venture projects were mainly located, the Commerce Minister added.

The enlarged European Economic Community which includes Belgium, France, West Germany, Italy, Netherlands, Luxemburg, U.K., Denmark and Irish Republic, is the most powerful economic entity in the world today. It is the largest trading block and commands about 40 per cent of the contemporary world trade.

The enlarged EEC accounts for nearly 20 per cent of India's exports and 25 per cent of imports and emerges as India's largest trading partner. The need for establishing an expending, constructive and viable relationship with the Community, therefore, assures a paramount importance in the present economic situation of the country, especially because India suffers from a chronic and serious adverse balance of trade with EEC.

In 1972-73, India exported to EEC goods worth Rs. 4077.10 million and imported items valued at Rs. 5457.30 million thus leaving a negative balance of trade of Rs. 1380.20 million. This figure came down to Rs. 888.70 million during 1973-74 when Indian exports and imports with EEC were of the order of Rs. 5943.10 million and Rs. 6831.80 million respectively. However, India had a favourable balance of trade with the UK, Italy, Netherlands, Denmark and the Irish Republic in 1973-74. India exported goods worth Rs. 5720 million to the EEC during April-October, 1974 and imported products valued at Rs. 3690 million during April-September, 1974.

PROPOSAL FOR INDO-KOREAN VENTURES IN GULF REGION

India has offered to participate in Joint Ventures with Republic of Korea in projects in the oil rich gulf countries, as associate partner or through sub-contracting to Indian firms. This proposal was conveyed to the Foreign Minister of Republic of Korea by India's Commerce Minister, recently.

Because of India's geographical proximity to the countries in the Middle East and her possession of adequate technological skill and know-how for undertaking major projects, it will be convenient and worthwhile for the South Korean Government to associate suitable Indian firms in their projects in these countries. Apart from the traditional commerce in commodities, Joint Venture projects in third countries had now been included in the wider canvas of foreign trade.

Welcoming this idea, Mr. Dong Jo Kim, Korean Republic's Foreign Minister said that his country was involved in a big way in construction projects abroad, and had already taken up contracts worth \$500 million in countries like Malaysia and Indonesia as well as in far off places like Brazil.

The visiting Foreign Minister was informed that an exclusive Indian exhibition which was to begin in Seoul on April 25 would continue till May 6, 1975. The main purpose of this exhibition would be to promote India's image as a technologically advanced country and to make the Korean businessmen conscious of the varieties of engineering products and machinery that India could offer.

India's trade with Republic of Korea has been widely fluctuating during the last few years. While in 1971-72, India exported goods worth Rs. 63 million and imported items worth Rs. 16 million thus achieving a trade surplus of Rs. 47 million, in 1972-73 India suffered a trade deficit with that country to the tune of Rs. 59 million. However, in 1973-74, India's exports amounted to Rs. 60.30 million and

imports 2.50 million resulting in a surplus of Rs. 57.80 million. In the first ten months of 1974-75, India exported items worth Rs. 8.4 million and imported goods worth Rs. 2.5 million.

The items which India have been regularly exporting to the Republic of Korea include common salt, mica, jute goods and cashew shell oil. However, India has occasionally exported iron ore, pig iron, iron and steel products, human hair, wool, mulberry silk waste and machinery including textile machinery.

The steady items of import from the Republic of Korea include natural graphite. However, India also imported fertilisers and organic chemicals from that country earlier.

TRANSISTOR RADIOS FOR EXPORT

Indian transistor radios have fetched a foreign exchange value of about Rs. 21 million during 1974-75 (estimated) as compared to Rs. 16.5 million in 1973-74. The exports were mainly directed to the U.K., Nigeria, Netherlands and Ethiopia. The British purchases during 1973-74 totalled Rs. 2.4 million while those of Nigeria, Netherlands and Ethiopia respectively were Rs. 2.2 million, 1.2 million and 1.1 million.

India has succeeded in exporting transistor radio sets to other markets such as Dahomey, Czechoslovakia, Bangladesh, Singapore, Malaysia, United Arab Emirates, Zambia, Sri Lanka and Switzerland.

EXPORT OF ARMY SOFTWARE

The State Trading Corporation of India entered into contracts worth Rs. 174.9 million for export of army software to countries in West Asia during 1974-75. The exports against these contracts amounted to Rs. 68 million during 1974-75 as against exports of nearly Rs. 8.20 million in 1973-74.

PROGRESS IN INDIA'S HEAVY INDUSTRIAL SECTOR

The heavy industrial sector of the Indian economy has achieved progress in respect of its major objectives, namely, to secure an encouraging growth rate for the public sector projects, endeavour towards self-reliance optimise rate of capacity utilisation, provide more employment opportunities and promote exports of engineering goods. The production of public sector projects in the heavy industry increased to Rs. 4090 million during 1973-74 as against Rs. 2810 million in 1972-73. During the first ten months of 1974-75, the production value reached Rs 4120 million, according to Annual Report of the Department of Heavy Industry in the Ministry of Industry and Civil Supplies. The objective of this department is to step up production, broaden the manufacturing base for the engineering industry, upgrade the unit size of the equipment and introduce sophistication at all levels. It is also aimed to bring down the import of capital and other engineering equipment, components and spares as quickly as possible.

The progress achieved in regard to the self-reliance can be judged from certain facts. For instance, of the installed generating capacity of 9000 MW in March 1974, the share of indigenous equipment was only 1140 MW or a mere 6 per cent. As against this, the indigenous production to the capacity of 16000 MW to be added in the fifth five year plan would be 13, 500 MW or 85 per cent. Similarly, in the case of the one million tonne stage of the public sector steel plants (Bhilai, for example) the import content was about 84 percent. For Bhilai expansion and Bokaro the indigenous content would be of the order of 85 per cent. India has reached self-sufficiency or near self-sufficiency in respect of power generation, transmission and distribution equipment, other electrical goods, metallurgical plant and machinery, transportation equipment, both rail and road, cement, sugar, textile and many other industrial machinery as also a wide variety of machine tools. However, imports

continue for certain range of industrial machinery, paper and pulp machinery, rubber processing machinery, special machine tools, synthetic fibre machinery, heavy chemicals and other plants. Steps are underway to develop capacity in respect of these industries also and eventually reduce imports. However, the intention is not that the country must produce even at comparatively much higher cost, each and every item of equipment and machinery. Technically and economically, this is not considered necessary and a two-way traffic whereby the engineering exports are stepped up to a level that necessary imports could be paid for through our exports is considered to be a preferable course.

There has been a revived emphasis on the development of research design and development in the heavy industry of the Indian economy. Detailed proposals have been formulated or are under formulation for achieving these objective particularly in the public sector units. M/s Bharat Heavy Electricals Limited, for instance, have set up various organisations such as Welding Institute, development of 500 MW thermal sets, development of magneto hydro dynamics technology, development of thyristor controls, hydro dynamics technology, development of thyristor controls, fluidised beds for coal fired boilers and so on. M/s Hindustan Machine Tools is also making a substantial contribution to the development of a number of new items. Also a design organisation is being set up for the manufacture of coal mining equipment and coal washeries. Similar developments are expected to be brought about in units like Heavy Engineering Corporation, Bharat Heavy Plates and Vessels and Bharat Pumps and Compressors.

Among other steps that are being taken for bringing about self-reliance in the heavy industrial sector or to absorb hitherto imported technology and improved upon within the country so that the cord of foreign technology could be cut at the appropriate time. Under this policy extension of existing foreign collaboration agreement is being gradually disallowed. In cases where such agreements have already run their prescribed period, also it is felt that it would be cheaper to allow a one time import of design and documentation for sophisticated plant and machinery rather than allowing the import of such plants. Accordingly, permission is being given to the manu-

facturers of machinery items for the import of design and documentation up to a value of Rs. 500,000 by any unit in a year. Again, a horizontal transfer of technology is being encouraged and also repeated import of the same technology for the manufacture of the same items by various units is not encouraged. For instance, no foreign collaboration agreements are now envisaged for tractors, watches, scooters and three wheelers. In respect of tractors and watches, HMT is developing the capability for passing on the manufacturing knowhow, supported by the supply of important sub-assemblies to the other licencees. The Scooters India Limited has entered into an agreement with several units to provide technical knowhow and supply of powerpack, namely, the engine and the transmission.

As regards the optimisation of utilisation of capacity, large rated capacities and long years of gestation periods tended the production rate to be low in many public sector units. In the private sector, the capacities sanctions were made on the basis of single or two shift-basis while the public sector units are being assisted in the procurement of raw materials and other inputs as well as expediting clearance for import licences and so on. Existing capacities have been revised and partial three-shift operations basis in many units where production capacities were fixed in terms of value have been fixed or being converted into physical terms, taking into account the escalation in costs. If some of the industrial machinery manufacturers are suffering due to demand constraints in their existing products, thereby disallowing their present capacity to be fully utilised, Government have decided to permit them to diversify within their overall capacity to manufacture items of equipment falling within their technological profile. Such permission is granted to the manufacturers of not only industrial machinery but also machine tools and electrical equipment.

As regards the export promotion by the heavy industrial units, it has been reported that many of the public sector units engaged in the manufacture of heavy items have been able to record export breakthrough. For example, BHEL secured orders worth about Rs 250 million of project equipment apart from their exports worth about Rs 34.20 million in 1973-74. M/s Triveni Structurals secured an export order worth Rs 33 million during this year. Machine tools worth Rs 37 million were

exported in 1973-74 with an estimated Rs 45 million during 1974-75. Of these exports, the major share would be that of Hindustan Machine Tools.

In the heavy engineering sector there was also a sizeable export during 1974-75 of structurals (Rs 40 million), textile machinery (Rs 30 million), transmission towers, bright bars, sugar and cement machinery, heavy electrical equipment and so on. Two manufacturers of commercial vehicles and buses, namely, M/s Ashok Leyland and TELCO secured export orders. The former secured an export order worth Rs 80 million for 500 buses to Zaire and 200 buses to Sri Lanka while M/s TELCO also secured substantial export orders to various countries.

A brief review of industrywise efforts towards further development in the heavy machinery sector would make an interesting study. In the heavy electrical industry the capacity gap with regard to power boilers is sought to be filled with the expansion of the Tiruchi factory of M/s BHEL to 1100 MW. This capacity will be further increased to 2500 MW in the course of time. Similarly to meet the growing requirements of large sized special transformer, a new factory is being set up by BHEL in Jhansi based entirely on indigenous technology. A large research, design and development programme has been mounted by BHEL for the conservation of oil and increasing the efficiency of coal fired boilers. Development of larger sized turbo sets (500 MW) has already been taken up. There has been a continuous exercise to identify gaps in the manufacturing profile that necessitate imports. Steps are on to develop thyristor controls and systems, special circuit breakers, special motors, and special duty transformers. With these measures, it is hoped that India's requirements of heavy electrical machinery would be by and large met from indigenous sources.

In regard to the heavy metallurgical plant and machinery sector, the Heavy Engineering Corporation which is a major public sector unit in the field, has been able to clear up most of its back log of pending orders. It is expected that almost the entire equipment for Bokaro (2.5 million tonnes stage) would have been supplied by HEC by the end of 1974-75. For the first time the Corporation would be taking up large steel mill

INDIA'S ANNUAL PLAN FOR 1975-76

equipment such as for 3.6 metre plate mill, 250/300 tonnes LD convertors and so on. The Mining and Allied Machinery Corporation is the main manufacturer of mining machinery, particularly in regard to coal mining equipment. To fill up the gap in the manufacturing profile, a number of items of mining machinery are under various development stages in the MAMC. The items that are under development include coalcutters, skid and crawler mounted coal drills, flame proof diesel locomotives, hydraulic and friction props and so on.

The industrial machinery sector in India covers a wide spectrum of manufacturing activity. Gaps in capacity availability are being identified and production capacities are sought to be created either through fresh investments or balancing equipment and diversification. In regard to the chemical plant and machinery, the emphasis is to optimise the output from the existing facilities. A number of units have been permitted to produce pressure vessels by adding balancing equipment. Manufacturing abilities for nuclear purpose equipment are also being taken up by M/s Bharat Heavy Plates and Vessels. Manufacture of air separation plants and tonnage oxygen plants has commenced. The forthcoming years are expected to witness substantial improvement in the production of many other industrial machinery including paper machinery, machinery for caustic soda and soda ash, machinery for synthetic fibres and so on.

The Machine Tool Sector which produces about Rs 750 million worth of products (1974-75) a year envisages further diversification and expansion. Several industrial licences and letters of intent have been issued for bridging technology and production gaps and some of the items that are planned to be produced in the near future are cold swing machines, automatics, specialised grinding machines, machine tools for railway wheels and axles, special purpose machine tools and so on. Attention is also being paid to develop numerical control machines and other special purpose machines for industries like ball bearing.

With such a multi-dimensional endeavour to bridge up the technology and manufacturing gaps in the various branches of the heavy industrial sector, the Indian economy is expected to improve the overall production of the engineering sector in the country as well as its contribution towards export promotion.

The over-riding consideration in the preparation of the Annual Plan 1975-76 has been to safeguard both the short-term and the long-term needs of the economy and, at the same time, to maintain conditions of stability, raising levels of investment and production, particularly of agricultural produce, mass consumption goods as well as other essential inputs such as fuels and fertilisers, according to the annual report of India's Planning Commission for the year 1974-75.

In the formulation of Plan proposals, the Planning Commission had suggested the Central Ministries to make clear-cut distinction between quick projects and projects of longer gestation and to ensure that the capacity already created was fully utilised. Top priority was to be given to the on-going schemes if they had gathered momentum. It was also necessary to give high priority to projects in the core sectors.

As regards the States, the guidelines issued by the Planning Commission for formulation of the annual plan proposals desired a careful and accurate assessment of the State resources and deduction of non-plan expenditure to the maximum extent possible, and a realistic production plan for agriculture so as to achieve the rate of growth stipulated in the draft Fifth Plan. It was necessary to have a careful and strict ordering of priorities even within the core sectors and vigorous scrutiny of all programmes so as to avoid wastages. It was equally useful to prepare a memorandum reviewing the performance of the Annual Plan 1974-75 in physical and financial terms indicating significant shortages and shortfalls and the administrative and technical steps already taken or proposed to be taken to overcome such difficulties. The Annual Plan for 1975-76 is expected to be ready shortly.

On the Draft Fifth Five Year Plan (1973-74 to 1978-79) the report says that it had been formulated on the basis of 1972-73 prices and in the context of the economic situation prevalent at that time. However, the last two years have witnessed two major developments—a sharp rise in indigenous prices and four-fold increase in international prices of crude oil. Coupled with this

phenomenon, there has also been a noticeable increase in the world prices of various imported strategic raw materials and inputs. These developments have influenced in varying degrees the financial and physical magnitudes adopted in the draft Fifth Plan. It has, therefore, become necessary to review the resources position and read just *inter se* priorities with a view to realising the basic objectives underlying the Fifth Plan. The exercises for determining the changes in the consequence and composition of the detailed programmes included in the draft Plan in the light of these developments are in progress.

TRADE FAIRS AND EXHIBITIONS

INDIA TO PARTICIPATE IN TWENTY THREE OVERSEAS FAIRS

To project the export capabilities and achievements of India and explore further markets for traditional and non-traditional goods, the Ministry of Commerce has framed its programme of participation in the overseas fairs and organising exhibitions during 1975 and 1976. This programme has been drawn keeping in view the importance of markets where the promotional efforts are likely to be useful in terms of business opportunities for Indian entrepreneurs.

During 1975, India will participate in Foire-de-Paris (April 26-May 11), Milan International Fair (April 14-25), Brussels Trade Fair (April 26-May 11), Zambia Trade Fair (July 3-8), Zagreb Autumn International Fair (September 12-21), Tehran International Fair (September 13-24), New Zealand International Fair (August 20-September 6), Poznan Consumer Goods Fair (September 7-14) and Baghdad International Fair (October 1-21).

During 1976, the participation will be in the Frankfurt Spring International Fair (February), Leipzig International Fair (March), Cairo International Fair (March) and Tripoli International Fair (March).

The Ministry of Commerce proposes to organise eight exclusive Indian exhibitions in Brazil, Venezuela,

Gabon, Hong Kong, Saudi Arabia, Afghanistan, U.K. (Indian Exhibition of Engineering Industries) and Persian Gulf Areas. Besides, the proposals to hold an Indian Exhibition at Male (Maldives) and a Textile Show in Toronto and Montreal (Canada) are under consideration.

In the Frankfurt fair, India will exhibit mainly household and office utility items, decoratives giftware, ceramics, porcelain etc. In other fairs, emphasis will be laid on the important items which have better business capabilities. This will include machinery and other engineering equipment, chemicals, pharmaceuticals and allied products, technology and consultancy services and a selected assortment of traditional specialities like textile and readymade garments, fashion accessories, food, beverages, handicrafts, furniture and furnishings and other consumer goods.

Manufacturers and exporters of quality goods with adequate capacity for exports are eligible for participating in the fairs through the Director of Exhibitions and Commercial Publicity of Ministry of Commerce. Details of the exhibitions and conditions for participating are supplied by the Directorate to the manufacturers and exporters.

The Commerce Ministry extends necessary facilities to the participants for expeditious clearance of exhibits from the Customs, Octroi Duty and Export Control formalities. The necessary recommendations to the Reserve Bank are also made for release of foreign exchange for the participants desiring to attend the fairs and exhibitions for negotiation of on-the-spot business.

The shipment of exhibits to the place of fair is made at the Government cost, if the approved exhibits, securely packed and properly labelled, are sent before the last date to the shipping agents of the Government, the Shipping Corporation of India, at Bombay and Calcutta.

INDIA ENTERS SPACE AGE

The first Indian Satellite, Aryabhata, named after the great Indian astronomer and mathematician of the

5th Century, was successfully launched from a Soviet Cosmodrome with the help of a Soviet rocket carrier on April 19, 1975 at 1300 hrs. 00 minutes (Indian Standard Time).

The Satellite has been launched into an almost circular orbit (maximum height 623 Km. and minimum 564 Km.) at an inclination of 50.4 degrees and orbital Period around the earth 96.41 minutes.

The preliminary information being obtained from ground tracking stations in Sriharikota near Madras and Bears Lake in the outskirts of Moscow indicate that all the instruments on board are functioning normally. Monitoring of the Satellite is accomplished by sending radio commands from these stations.

The first Indian made satellite weighs 360 Kgs. and has a multifaceted shape. The satellite obtains energy from solar batteries and is spin stabilized. Thermal regulation of the Satellite is achieved through a passive thermal control system.

On the satellite is mounted apparatus for conducting three scientific experiments. The experiments will measure X-rays from celestial sources, look for neutrons and gamma radiation from the sun and measure ionosphere parameters.

The successful launching of the first Indian Scientific Satellite from the Soviet Cosmodrome is the result of joint work envisaged in the agreement for scientific collaboration between the Indian Space Research Organisation and the USSR Academy of Sciences signed on May 10, 1972.

The benefits of any new technology can be realised fully only when a nation develops indigenous competence and uses it to solve various problems facing it. For a developing country like India, with its vast area and large population, space research is not merely an exercise in sophisticated technology but can have considerable impact in the economic, social and cultural spheres of activity. These considerations have influenced the planning and execution of the project to build India's own artificial earth satellite indigenously.

The Indian Space Research Organisation (ISRO) created by the late Dr. Sarabhai initiated steps to build the know-how for satellite technology within the country by establishing in 1970 the Satellite System Division (SSD) as part of the Vikram Sarabhai Space Centre (VSSC) in Trivandrum.

The urgency of establishing indigenous capability in building satellites coupled with the current lack of facilities to launch them with indigenously-made launchers made ISRO explore alternative launching possibilities. The offer of assistance extended by the Soviet Union in this direction was welcomed and was signed on May 10, 1972. According to the agreement, ISRO was to design and build the satellite to be launched from USSR using an Intercomos vehicles.

The actual implementation of this task was taken up by Prof. S. Dhawan, who took charge of the Indian Space Research Organisation in July 1972. The Indian Scientific Satellite Project (ISSP) was set up at Peenya, near Bangalore, in view of the availability of back-up, both in the field of electronics and aeronautics and of the environmental test facilities at various institutions in and around Bangalore.

The facilities established at Peenya on the outskirts of Bangalore include highly sophisticated electronic laboratories, a clean room for the final assembly of the satellite, thermal laboratories, control and establishment laboratories, antenna fabrication facilities and a small workshop and drafting section. About 250 scientific and technical personnel work in these laboratories. In spite of the availability of extensive test facilities at other places in Bangalore, a few specialised additional facilities had to be set up at Peenya. Important among these are the thermal laboratory for the design and testing of thermal control systems of the satellite, a dynamic balancing machine for balancing the satellite and a space simulation chamber-first of its kind in this country-capable of simulating space environmental conditions. The cylindrical space simulation chamber is capable of testing space payloads at temperatures between -100°C and +100°C at a pressure of 10^{-6} Torr.

The two primary objectives of the satellite project are : (1) to build indigenous capability in satellite technology and (2) to conduct worthwhile scienti

fic experiments in space. The satellite which is an oblate Spheroid, weighs about 360 kg and measures 1.6 metres from end to end. The shape of the satellite was dictated by the shape and size of the top portion of the launch vehicle with which the satellite was mated, and by the necessity of having dynamical stability while spinning in orbit. The outer shell of the satellite is built to meet requirements of very stringent tolerances on dimensions, strength of joints, etc.

While in space, the satellite is powered by a combination of silicon solar cells connected to nickel cadmium batteries. The solar cells directly convert sunlight into electricity by the well known photovoltaic effect. During the dark portion of the orbit when the earth occults the sun, the nickel cadmium batteries take over: they in turn get their discharged power replenished by the solar cells during the sunlit portion of the orbit. The solar cells assembled into panels are mounted on the body of the satellite. This power system generates a total output of about 45 watts of electricity and is connected to different on board electronics sub-systems. For the proper functioning of the different sub-systems onboard the spacecraft it is necessary to restrict the temperature fluctuations inside the craft to reasonable limits when the temperature on the outer surface will fluctuate between +75C and -100C during its journey through sunlit and dark portions of the orbit. For this purpose, a passive thermo control system has been designed which maintain the inside deck temperature between 0 and 40C. This system is based on the use of suitable paints that have the requisite emissive and absorptive properties on the surface of the satellite.

The onboard supporting electronics on the Satellite consist of a telemetry system which processes information gathered by the space craft in a form suitable for transmission to the ground. Owing to the limited duration of the radio 'visibility' of the satellite in a single pass over a receiving station, a tape recorder is installed onboard which stores the data for approximately 40 minutes in an orbit. This stored data is "read out," on command, at a rate ten times faster than the recording rate over a ground telemetry station by actuating the tape replay mechanism through a ground-based telecommand system. A unique feature of the satel-

lite is that practically all the technological sub-systems have a built-in redundancy so that in case of failure of one unit, the second one can be switched on without affecting the performance of the satellite.

The ground segment of the telecommand unit basically consists of an encoder, that suitably codes the information to be transmitted and a 1 KW RF transmitter at 148 MHz that sends this information to the satellite. The transmitting antenna on the satellite also acts as the pick up serial for these information-loaded signals from the ground, feeds them to a receiver on the satellite, and the subsequent detected output is decoded to extract the original information that contains instructions for the satellite. Thirty-five types of independent commands can be executed in this fashion, and these include such operations as switching on and off of the onboard power supply systems, recording and play back of tape recorder, actuation of the spin-up system and switch over to the redundant units in the event of failure of one of the systems.

In order to dynamically stabilise the satellite in its orbit and thus prevent it from tumbling, it is spun about the axis of greatest moment of inertia. The necessary torque for this purpose is derived by nitrogen gas jets generated from six spherical titanium bottles, each filled to a pressure of 200 atmospheres of dry nitrogen gas and connected through pyrovalves to two nozzles located at diametrically opposite points on the outside of the satellite. The gas from the first two bottles is released through the valve by a programmed command immediately after the injection of the satellite into its orbit. The subsequent four operations will be carried out by ground commands and are executed once in about 25 days. In this way, the spin rate of the satellite is maintained between 10 and 90 rmp, sufficient to maintain the stability to the required level. The orientation of the satellite in inertial space is determined by a set of magneto-meters and solar sensors.

In addition to the technological packages, the satellite also consists of three scientific experiments for investigations in the fields of X-ray Astronomy, Solar Physics and Aeronomy. The objective of the x-ray as training experiment is to detect and measure X-radiation from stars in the Milky Way and other galaxies. The payload consists of a sodium iodide scintillator telescope for scanning

a limited region of the sky in a plane perpendicular to the spin axis of the satellite and is designed to measure X-rays in the energy interval 10-100 KeV. Precise directional information will be obtained using solar sensors appropriately mounted around the belly band of the satellite. In addition, a gas proportional counter telescope mounted with its look direction along the spin axis to measure X-rays in the 2-25 KeV energy range will be used to scan, in detail, limited regions of the sky. This experiment is expected to yield information on the flux and energy spectrum of X-rays from stars and diffuse background, time variations of the intensity of X-rays from discrete sources, anisotropy in the diffuse background and reveal possible existence of new sources. This is a relatively new field of astronomy, hardly a decade old and has revealed for the first time the existence of extremely energetic processes in the universe. Stars a million times more powerful than our sun have been discovered through this method. Exotic objects like Neutron Stars and "black holes" where the gravitational fields are so high that no radiation escapes their surfaces, could be detected at these X-ray wavelengths.

The experiment on Solar Physics aims at detecting the possible impulsive emission from the sun of energetic neutrons (10-600 MeV) and gamma rays (200 KeV-200) MeV at times of violent solar activity. The steady emission of energetic neutrons and gamma rays from the sun would also be recorded. In addition, the albedo neutron and gamma rays flux from the earth's atmosphere and extra-terrestrial gamma rays will also be investigated by this experiment. The detection and separation of neutron and gamma ray events are done by employing "pulse shape discrimination" (PSD) technique in a Calcium Iodide Thallium activator scintillator of 11 cm diameter and 0.5 cm thickness which will be completely surrounded by a plastic antishield. This instrument will permit the detection of energetic solar neutron flares and gamma ray fluxes at many low levels. The neutron radiation from the sun had so far eluded direct experimental observation.

For the third experiment on the Aeronomy the payload consists of (1) an electron trap (retarding potential analyser) to study the energy spectrum, of supra

thermal electrons upto about 200 ev in the ionosphere, and (2) an ultraviolet detector intended mainly to monitor scattered Lyman alpha radiation in the night sky. The aeronomy experiment is expected to provide information on the (a) heat budget in the ionosphere which envelopes the earth and enables long distance radio communication, (b) the presence of particle fluxes in the equatorial latitudes below the trapping zone whose understanding is extremely vital from the point of view of ionosphere dynamics, (c) association of the observed particle fluxes with other ionospheric phenomena such as airglow, (d) time variation of the scattered UV flux and (3) the variation of the hydrogen content in the geocorona.

The orbital life time of the space craft is estimated to be nearly 2 2/2 years although its operational life from the scientific standpoint will be only about six months due to the limitation imposed by the quantity of gas carried in the space craft's spin-up system. The entire design, fabrication and testing of the satellite and all its sub-systems, the planning and setting up of the infrastructure and ground facilities, the fabrication, installation and commissioning of telecommand and tracking system for SHAR ground station and the fabrication, installation and commissioning of telecommand station for Moscow have been the result of the efforts of ISRO team associated with the Indian Scientific Satellite Project. The ground telemetry station and the extensive communication links between Bangalore, Sriharikota, and Moscow have been set up by ISRO scientists at the SHAR Centre.

The primary ground station for receiving data and commanding the satellite is located at Sriharikota (SHAR) near Madras. The ground station consists of a steerable Yagi Antenna array and a complete set-up for receiving data from the satellite, displaying them and conducting preliminary analysis of the data to quickly determine the state of the health of the satellite. Besides this, complete facilities to command the satellite from the ground have been established. In addition, a tracking network consisting of a Doppler, interferometry and Tone Ranging System has also been installed at SHAR to derive the orbital parameters of the Satellite correct to 1° in elevation and ± 500 metres in range.

A second ground station has been built in association with the USSR Academy of Sciences in Moscow for receiving the data from the satellite. This will substantially enhance the total data coverage from the satellite. The telecommand station built by the Indian Project team has also been installed in Moscow for commanding the satellite from Moscow to get both real time and stored data. The commanding station in Moscow is manned by Indian personnel. To further increase the data coverage, the French National Space Agency (CNES) with whom ISRO has cooperative arrangements has been requested to provide the real time telemetry reception and tracking of the satellite from a station of the French space network.

For a developing country like India, with its vast area and large population, which is essentially agriculture-based, purposeful and imagination adopt-

tion of advanced technology like Space Technology can initiate "a total process of development to leap frog from a stage of backwardness and poverty." The use of satellite technology, particularly in the field of communications, navigation and earth resources survey is of great value to a developing country. In the field of meteorology, the ability to look at the large-scale atmospheric circulation can provide a sound basis for issuing early warning on such natural calamities as storms, cyclones and floods and also enable remedial measures to be taken in advance. In this, satellite technology offers a unique solution.

The successful launching of the satellite has been hailed by the Prime Minister as "an important event in our continuing efforts to harness the benefits of science and technology for national development" and by the President as "a very important milestone in our march towards scientific and technological self reliance."



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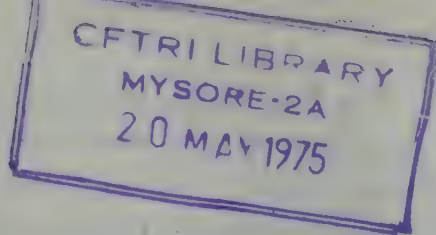
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EXPORT OF ENGINEERING CONSULTANCY

Besides providing engineering and consultancy services within the country in the fields of petroleum, petrochemicals and fertilisers, M/S Engineers India limited, a Public Sector organisation has made a big headway in international operations. It undertook the designing work of the Tabris Refinery in Tehran for Snam Progeti Ltd. It has also signed agreements with two Iraqi companies—State Consultancy Company and the State Organisation of Industrial Design & Construction—for engineering, designing and construction of projects in the field of petroleum refining, petrochemicals, fertilisers and pipelines. EIL'S consultancy service has also been contracted by Homs Refinery in Syria for maintenance and inspection of equipment.

On the home front, apart from fertilisers, petrochemicals and non-ferrous metallurgy, EIL successfully took up ocean engineering services. It completed a technological study for unloading of crude at six refinery

ports. It also carried out surveys, design, detailed engineering and construction supervision of an offshore oil terminal in the Gulf of Kutch and for Light houses. The company also completed design of nearly 200 heat exchangers in various fields.

AWARD FOR EXPORT OF ENGINEERING GOODS TO USA

M/s Tata Exports Ltd., Shivsagar Estate, Dr. Annie Besant Road, Worli, Bombay has been awarded the Indo-American Chamber prize for outstanding export of engineering goods to USA. Mr. William Simon, Secretary of Treasury, Government of USA distributed the award.

Tata Exports have doubled its exports in two successive years and reached an export figure of Rs. 310 million

in 1973-74. With regard to export to USA, they are the pioneers in exports of sophisticated castings and forgings from India apart from pipes and tubes and fencing materials valued Rs. 9.9 million in 1973-74

The activities of Tata Exports Ltd. for the US market are not confined only to engineering goods. A wide variety of consumer goods like textiles, packaged shrimps, frozen fish, instant tea and cosmetic products are also exported to USA.

EXPORT PROGRESS OF PUBLIC SECTOR CORPORATIONS

The public sector corporations under the control of the Ministry of Commerce, Government of India, have come to contribute substantially to India's export growth. The State Trading Corporation of India Ltd. has grown into one of India's premier trading houses both in size and range of commodities dealt with and the export markets covered. The Corporation has progressively stepped up its export turnover from Rs 786 million in 1971-72 to Rs 1700 million in 1972-73, Rs 2730 million in 1973-74 and Rs 5530 million in 1974-75. The major items exported by STC are sugar, rice and castor oil among the agricultural products; cement, art silk fabrics, readymade garments, army software and construction material among industrial products as also leather products and chemicals and drugs.

The STC plans for an export turnover of Rs. 7310 million during 1975-76 with sugar and leatherware occupying prominence in its export list.

Mainly exporting railway wagons and engineering equipment, the Projects and Equipment Corporation has earned foreign exchange worth Rs 101 million in 1972-73, Rs 97 million in 1973-74 and Rs 210 million in 1974-75.

The Minerals and Metals Trading Corporation which primarily exports iron ore, manganese ore, ferro manganese ore, coal and other mining minerals has to its credit foreign exchange value worth Rs. 1044 million in 1972-73, Rs 1254 million in 1973-74 and Rs. 1409 million in 1974-75,

The Handicrafts and Handlooms Export Corporation organises export of woollen knitwear, handicrafts, handlooms such as hand-knitted carpets and hand-made cotton piecegoods. This Corporation's export value rose gradually from Rs 57 million in 1972-73 to Rs 200 million in 1973-74 and Rs 258 million in the subsequent year.

The Mica Trading Corporation which was set up in June 1974 undertakes exports of all varieties of processed mica. Its exports during 1974-75 totalled Rs 155 million.

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PROGRESS OF ATOMIC ENERGY IN INDIA

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The Tea Trading Corporation witnessed a sizeable export turnover in 1974-75. It exported 5.5 tonnes of tea to U. K. and West Germany in 1974 and recently supplied tea worth Rs 1.57 million to Iraqi Government Purchase Board.

The Jute Corporation of India which is engaged in export of raw jute has also been active on export front. Its export earning was of the order of Rs. 9.90 million in 1972-73 which rose substantially to Rs. 78.50 million in 1973-74.

EXPORT PERFORMANCE AND POTENTIAL

EXPORT TRADE IN SANDALWOOD OIL

Indian exports of sandalwood oil have been increasing year after year. Their export value was Rs. 27.80 million in 1972-73, Rs. 35.10 million in 1973-74 and Rs. 54.90 million in the first eight months of 1974-75 (April-November 1974).

Sandalwood oil is the most important natural essential oil exported from India comprising nearly two-thirds of the total exports of natural essential oils. The other natural essential oils exported from India are lemongrass oil, palmarosa oil, cedarwood oil, clove oil, eucalyptus oil and ginger grass oil.

India covers about 90 per cent of world trade in sandalwood oil. Its production in the country is around 150 tonnes per year of which about 100 tonnes on an average are exported annually.

In terms of quantity, the export in sandalwood oil amounted to nearly 120 tonnes in 1972-73, 92.67 tonnes in 1973-74 and 55.6 tonnes during April-November 1974. The increased export value realisation during these years against reduced export quantum would indicate the

rising unit value which improved from Rs. 232 per kg in 1972-73 to Rs. 378 per kg in 1973-74 and Rs. 988 per kg during the period under review in 1974-75.

The major markets for the Indian supplies of this oil in 1973-74 were U.S.A. (Rs. 15 million), France (Rs. 4.10 million), Japan (Rs. 3.9 million), U.S.S.R. (Rs. 2.6 million), U.K. (Rs. 2.2 million), Hungary (Rs. 1.8 million), Netherlands (Rs. 1.6 million) and Switzerland (Rs. 1.5 million). The major exporter of sandalwood oil from India is the Government Sandalwood oil factory, Bangalore. Their exports amounted to Rs. 18.56 million during 1973-74 as compared to about Rs. 15 million in the preceding year.

Export trade in lemongrass oil amounted to 367 tonnes at a value of Rs. 20.66 million during 1973-74. The most prominent importers were U.S.S.R., U.K., U.S.A., Hungary and Australia. Palmarosa oil exports during 1973-74 amounted to 10 tonnes at a value of Rs. 1.66 million. The export value of eucalyptus oil was of the order of Rs. 1.13 million (39 tonnes) in the same year.

SUCCESS IN PLASTIC EXPORTS

Export earnings of India-manufactured plastic and linoleum products have revealed appreciable increase in the first ten months of 1974-75 (April 1974-January 1975) as compared to the corresponding period of last year. During the first 10 months of 1974-75 exports of both the groups aggregated to Rs. 123 million as against Rs. 88 million in the first ten months of 1973-74.

In the total export realisation of plastic products in the first ten months of 1974-75, the exports of PVC rigid pipes and conduits improved to Rs. 15.7 million from Rs. 2.7 million in the two comparable periods. Plastic Moulded and Extruded goods earned Rs. 19.7 million as compared to Rs. 11.4 million. Plastic imitation jewellery improved its position from Rs. 11.4

million to Rs. 16.3 million. Laminate (Phenolic Melamine) fetched Rs. 3.6 million as compared to Rs. 2.2 million. Polyethylene/Polypropylene Films earned Rs. 13 million as compared to Rs. 9 million. Sheeting including paper based PVC sheeting brought in Rs. 4.5 million as against Rs. 2.1 million. Leather cloth fetched Rs. 3.3 million as compared to Rs. 2.4 million. Spectacle frames earned Rs. 4.2 million during April '74 to January 1975.

In the group of linoleums, jute based and felt based improved their position from Rs. 4.2 million and Rs. 0.2 million to nearly Rs. 7 million and Rs. 0.5 million respectively in the two periods. Melamine formaldehyde Moulding earned nearly Rs. 0.2 million as against nil in the first ten months of 1973-74.

Exports of plastic bangles, plastic denture material, plastic dental products, plastic electrical accessories and metalised plastic products also registered marginal improvement in the two comparable periods.

The export of plastic and linoleum products would have been far better had there not been marginal decline in the offtake of fountain pens, ball point pens, sign pens, fibre tip pens, glass fibre, handbags, purses and other PVC fabricated goods.

BIG BOOST IN SUGAR EXPORTS

From Rs. 125 million in 1972-73 and Rs. 422 million in 1973-74, India's export trade in sugar shot up to fetch foreign exchange worth Rs. 3431 million in 1974-75. In terms of quantity, the export was 99,000 tonnes in 1972, 249,000 tonnes in 1973 and 697,000 tonnes in 1974-75.

Sugar exports from India have been entrusted to the State Trading Corporation of India effective from April 9, 1974. Sugar is not a canalised item of export through the Corporation but in view of the wide network of its foreign offices and its good knowledge of international market conditions the export trade has been entrusted to it.

EXPORT PERFORMANCE IN CEMENT

The quantity of cement contracted for exports during 1974-75 was of the order of 386,000 tonnes while the actual exports during that year were 307,000 tonnes.

In 1973-74 the quantity of cement contracted for was 30,000 tonnes while actual shipments totalled 130,000 tonnes. In the earlier year the quantity contracted for was 376,000 tonnes and the actual shipment was 206,000 tonnes.

Export of cement from India has been canalised through the State Trading Corporation since April 1969. Traditional buyers of this product from India have been the countries in the Persian Gulf.

Of the export contracts entered into by STC during 1974-75 the bulk of supplies would be to Iran (3,00,000 tonnes). The other countries with which contracts have been entered into are Bangladesh, Oman, Maldives and Persian Gulf.

For the year 1975-76 too STC have already entered into contracts to the tune of nearly 275,000 tonnes of cement.

EXPORT TRADE IN MICA

Indian export of mica improved from Rs. 134.32 million during 1973-74 to Rs. 154.15 million during the first eleven months of 1974-75. The pending orders as on March 1, 1975 were worth nearly Rs. 171.00 million.

The major importer has been the Soviet Union whose import value improved from Rs. 55 million in 1973-74 to Rs. 56.4 million in the period under review during 1974-75. Japan which was the next best market in 1973-74 at a value of Rs. 18.4 million, however reduced, its import trade to only Rs. 7 million in the reviewed period of 1974-75. Similarly, the U.K's off take also fell from Rs. 10 million to Rs. 8.5 million but in respect of U.S.A. there was a substantial increase in her imports from

Rs. 8.8 million to Rs. 13.8 million. Czechoslovakia, Rumania, Hungary, East Germany, Poland, Bulgaria, Belgium, France, West Germany and Italy were among the other markets that imported more during 1974-75 as compared to their offtake in the preceding year.

Export of all varieties of processed mica was canalised through the Minerals and Metals Trading Corporation of India, effective from January 1974. Mica Trading Corporation which was set up in January 1974 as a subsidiary of MMTC has taken over since then.

In view of rising cost of mica production the floor prices of mica were raised by an average of 33 per cent in February 1974. In terms of quantity the export of processed mica increased from 15780 tonnes in April-December 1974 to 22693 tonnes in the same period of 1975.

EXPORT POSITION OF MARINE PRODUCTS

Indian exports of marine products totalled Rs. 670.80 million during 1974-75, according to the Marine Products Export Development Authority, Cochin. The country's export trade in the line during 1973-74 amounted to as much as Rs. 895 million. The decline in the export trade is attributed to several factors including poor fish catch and unsteady market conditions abroad particularly in the major markets in Japan and U.S.A. The fall in exports was significant in frozen shrimps, frozen froglegs and canned shrimps. The exports of frozen lobster tails, fish maws and fish meals have, however, recorded improvement.

The export target of Rs. 1400 million has been fixed tentatively for exports of marine products during 1978-79, the terminal year of the Fifth Five year plan.

The potential of Indian ocean is vast and there is good scope for export of marine products to the different parts of the globe. Notwithstanding the setbacks

in the export trade suffered by the marine products in 1974-75, the industry has geared up its production and export strategy. As a measure of resuscitating the export trade in the line, the Marine Products Export Development Authority plans to depute a sales team to various Asian countries including Bahrein, Kuwait, Iran, Iraq and Saudi Arabia. The Authority has already organised a sales team to Japan and U.S.A.

FOREIGN TRADE IN CASHEW

Domestic requirement of raw cashew per annum works out in India to about 250,000 tonnes, out of which on an average 60,000 tonnes are available from indigenous production and the balance of 190,000 tonnes are imported. The main suppliers of raw nuts to India are Tanzania, Mozambique and Kenya.

The Cashew Corporation of India has finalised Agreements with Tanzania and Mozambique for purchase of a total quantity of 95,000 tonnes of cashew nuts.

During the first eleven months of 1974-75, export of cashew kernels was worth Rs. 1104.40 million as against 719.20 million in the corresponding period in 1973-74. During the full year of 1973-74, exports of cashew kernels and shell liquid was worth Rs. 751.40 million and after excluding the amount spent on imports of raw nuts, the net foreign exchange earnings during that year was Rs. 446.30 million.

INDO-PAK TRADE TALKS

In pursuance of the provisions of the Trade Agreement concluded between India and Pakistan at Islamabad on January 23, 1975, a ten-member delegation led by Mr. Izharul Haque, Chairman of the Trading Corporation of Pakistan visited India from April 22-30, 1975 and held a series of discussions with the Indian Trade Delegation led by the Chairman of the State Trading Corporation of India.

During the course of its stay in India, the Trade Delegation from Pakistan visited various commercial and industrial establishments in and around Delhi, Bangalore, Madras and Bombay to acquaint themselves with the range, specifications, prices and delivery schedules of products which could be of import interest to Pakistan.

Consequent upon these discussions and visits, the two delegations identified specific areas in which commercial transactions could take place to the mutual advantage of both sides. The items of immediate interest agreed to by the two delegations were Pig Iron, Coal, Coke and Bidi leaves.

The two delegations agreed that details and specifications furnished in respect of Engineering Goods required further examination in Pakistan. The Trading Corporation of Pakistan will communicate with the State Trading Corporation of India with a view to facilitating conclusion of contracts on a mutually acceptable basis. For this purpose, exchange of specialised purchase and sales teams would be arranged as and when required.

INDIA'S EXPORT PATTERN WITH CANADA

Of the total value of Indian exports to Canada at Rs. 307.40 million in 1973-74 and Rs. 281.5 million in 1972-73, the share of traditional commodities was of the order of Rs. 149 million and Rs. 163 million in the respective years. The value of non-traditional exports in these two years stood at Rs. 158 million and Rs. 118.4 million.

Of the traditional commodities, jute manufactures constitute the most significant product. Its export value was Rs. 45.15 million in 1973-74 as against Rs. 44.66 million in the preceding year. Next in importance was the export of cashew kernels at Rs. 37.8 million and Rs. 69.4 million in the respective years. The export value of tea was of the order of Rs. 18 million in each of these years. Spices (Rs. 15 million and Rs. 12 million) and coffee (Rs. 12 million and Rs. 6

million) were the other important traditional commodities exported by India to Canada. Besides pearls and precious stones, leather and iron and steel also figured prominently in the export trade of traditional commodities to the Canadian market.

Of the non-traditional items, jute carpet backing constitutes the most important product of export to Canada. Its export value was worth nearly Rs. 50 million in 1972-73 and about Rs. 42 million in the subsequent year. Next in importance were cotton manufactures excluding yarn, thread and clothing; their exports improved from Rs. 17.9 million to Rs. 31 million in the year that followed. The value of export of another non-traditional item namely, floor coverings and tapestries stood at Rs. 14 million and Rs. 21.5 million in these years. Among other non-traditional items exported by India to the Canadian market are footwear, readymade garments, woven textile fabrics, fruits, works of art and antiques, inorganic chemicals, electrical and non-electrical machinery.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ALL-TIME RECORD AVAILABILITY OF STEEL IN 1974-75

During the year 1974-75, the total availability of steel to the Indian economy was about 6.58 million tonnes, compared to 5.48 million tonnes during 1973-74, showing an increase of 1.10 million tonnes. This has been achieved mainly as result of higher steel production in the integrated steel plants and also larger despatches of steel to consumers and stockyards.

Production of saleable steel in the country during 1974-75 at the five main steel plants amounted to 4.9 million tonnes as compared to 4.35 million tonnes in 1973-74, showing an increase of 12.6 percent. The higher production in 1974-75 was made possible by record

output by Rourkela Steel Plant as well as increases in production by the remaining four plants.

The total despatches by the five integrated plants in 1974-75 amounted to 5 million tonnes as compared to 4.14 million tonnes in 1973-74, showing an increase of 872000 tonnes or 21 percent. This record despatch was made possible by increased output as well as reduction in stocks. At the beginning of the year, there was an accumulated stock of 400,000 tonnes at the plants. This, together with production of 4.9 million tonnes, resulted in a total quantity of 5.3 million tonnes for despatch. Of this, 5 million tonnes were despatched leaving a stock of 300,000 tonnes. The high rate of despatches was the result of important changes in the distribution system and of steel movement in full train loads, instead of wagon loads, during the year.

There has been an increase in the availability of all the principal categories of steel. The largest increase in availability was in bars and rods as also structurals. The availability of bars and rods went up by nearly 400,000 tonnes and that of structurals by over 300,000 tonnes. In the case of Hot Rolled Coils and Skelp the increase in availability was slightly over 150,000 tonnes.

SUBSTANTIAL RISE IN REFINERY CAPACITY PLANNED

Nine operating refineries in India with a total annual capacity of 24.5 million tonnes per annum processed 20.81 million tonnes of crude during 1974. Of this, six public sector refineries processed 15.13 million tonnes and the remaining 5.68 million tonnes were processed at three private sector refineries according to the annual report of the Ministry of Petroleum and Chemicals.

With the commissioning of the fuel sector of the 2.5 million tonne Haldia Refinery in August 1974 the refining capacity has now increased to about 27 million tonnes. During the Fifth Plan period, another 10 million tonnes of capacity was proposed to be added, thus increasing the total refining capacity to 37 million tonnes. However, in view of high crude prices and

foreign exchange constraints, optimum refining capacity during the plan period was still under consideration.

The approved plans for expansion of refinery capacity include 1 million tonne refinery at Bongaigaon in Assam, expansion of the Koyali Refinery by 3 million tonnes and a new 6 million tonnes grass-root refinery at Mathura.

The 1 million tonne refinery at Bongaigaon is likely to be commissioned in 1977-78 and the Koyali expansion by first quarter of 1977. Process designs of licensed units of Mathura refinery had been completed and the detailed project report is now under preparation by Soviet collaborators.

The work on the Salaya—Viramgam Koyali—Mathura crude oil pipeline and the offshore terminal at Salaya was in progress. The terminal was the first of its kind to be built in the country and was likely to be ready in time for the commissioning of the expanded Koyali refinery which then would have a total capacity of 7.3 million tonnes.

Indian Oil Corporation enjoys its dominant position in the oil industry with its overall market participation increasing to 64.7 per cent in 1974 as against 60.7 per cent last year.

IOC maintained its special services to the agricultural sector. It increased the number of its farm fuel centres offering tractor servicing, minor repairs and sales of spare parts. As many as 150 farm fuel centres had already been set up in various parts of the country and another 181 were under various stages of development.

During the year, 150 additional retail outlets are likely to be set up in addition to 207 commissioned in the previous year. To meet the increasing demand of LPG the company enrolled nearly 0.11 million new customers and sold over 87,000 tonnes of LPG in nine months from April to December.

A new public sector undertaking, Hindustan Petroleum Corporation came into existence in July 1974 following acquisition by the Government of 74 per cent shares in ESSO Standard refining company and additional 24 per cent shares in Lube India. The HPC refinery processed nearly 3.5 million tonnes of crude during 1974 while the

Lube refinery processed nearly 187000 tonnes of lube and transformer oil base stocks against its designed capacity of 164000 tonnes.

The public sector's Madras Refineries made a net profit of 6.7 crores during 1973-74 and won three awards for achieving highest percentage reduction of frequency rate of accidents; lowest frequency of accidents in petroleum refining industry; and longest accident free period of 275 days in petroleum refineries.

UPWARD TREND IN INDIA'S FERTILISER PRODUCTION

The overall production of Nitrogen in India during 1974-75 was expected to be about 1.2 million tonnes as against 1.06 million tonnes in the previous year despite the fact that some of the more efficient fertiliser plants in the country faced unforeseen mechanical problems and equipment failures during the year, according to the annual report of the Ministry of Petroleum & Chemicals.

The installed capacity for Nitrogen increased to 2.20 million tonnes during the year as compared to 1.98 million tonnes a year before. Similarly, the capacity for phosphatic fertiliser increased from 5.6 lakh tonnes last year to 6.87 lakh tonnes by the end of 1974-75. These increases in capacity were due mainly to the commissioning of IFFCO plants during the year.

With the completion of projects now under implementation and some of those approved for implementation in the public private and cooperative sectors, the total capacity of about 5.4 million tonnes of Nitrogen and 11.4 million tonnes of Phosphates will have been developed by the terminal year of the Fifth Plan. This capacity, according to the report, could give a production of 3.25 million tonnes of Nitrogen and 0.9 million tonnes of Phosphates.

The fertiliser programme in the Fifth Plan envisages setting up of five large-sized projects in the public sector at Bhatinda (Punjab), Panipat (Haryana), Mathura (Uttar Pradesh), Paradeep (Orissa), Trombay (Maharashtra) and one in the cooperative sector at Phulpur (Uttar

Pradesh) with an aggregate capacity of 1.4 million tonnes of Nitrogen and 0.3 million tonnes of P2O5.

The fertiliser project at Bhatinda had already been taken up for implementation and a new public sector undertaking—National Fertilisers Limited—had been set up to operate this and the two other plants at Panipat and Mathura. The second project at Panipat had also been taken up for implementation.

The report adds that Japan had extended a credit assistance of 32.9 billion Yen to meet the foreign exchange requirements of these three plants to be set up in the north-western region. But the credit extended was not adequate to cover the entire foreign exchange cost of these projects. Therefore, a loan was being negotiated with the World Bank to cover the unsecured portion.

World Bank had given assistance to the tune of \$88 million for the expansion of plants at Gorakhpur, Cochin and Nangal all of which were under various stages of implementation. In addition World Bank assistance had been extended to the fourth stage expansion of Trombay and modernisation of Sindri. These two projects had received assistance to the tune of \$33 million and 91 million respectively. World Bank had also offered a credit of \$17 million for the improvement of operations of FCI and FACT fertiliser units. The cooperative sector fertiliser project at Phulpur had also been sanctioned a loan of \$109 million from the International Bank of Reconstruction and Development.

Apart from projects in the public and cooperative sectors, letters of intent had also been issued for setting up or expansion of fertiliser units in the private sector. Thus the Kota plant of Shriram Chemicals was to be further expanded and a new fertiliser plant with annual capacity of 228000 tonnes of Nitrogen and 82000 tonnes of phosphate was to come up at Kakinada in Andhra Pradesh. The Government had also approved a project sponsored by Maharashtra Cooperative Fertiliser Company for production of 66000 tonnes of Amonia.

Following Government's decision to base future fertiliser plants on coal or fuel oil/heavy petroleum fractions, three large sized coal based fertiliser plants were under implementation at Talcher in Orissa, Ramagundam in

Andhra Pradesh and Korba in Madhya Pradesh. Each of these plants would have an installed capacity of 22800 million tonnes of Nitrogen.

Production of Phosphatic fertilisers was still based mainly on imported rock-phosphate and sulphur. Since the prices of these imported raw-materials were increasing, measures were being taken to increase the production of rock-phosphate at Udaipur (Rajasthan) and Maldeota (Uttar Pradesh).

HIGH CRUDE PRICES AFFECT INDIAN IMPORT BILL

India has been faced with severe constraints of foreign exchange resources to pay for imports of crude oil at high costs. The imports during 1974-75 were around 13.9 million tonnes of crude and 2.7 million tonnes of petroleum products involving a foreign exchange outgo of about Rs. 11,300 million.

The crude oil prices increased steeply in October 1973 following Gulf oil producers' decision. The prices were further increased by 130 per cent from January 1, 1974 by the Organisation of Petroleum Exporting Countries raising them to about \$10 per barrel. Though there were no changes till October in the posted prices of crude during the year, there was a steady increase in actual prices charged by major oil companies on account of increase in royalties and taxes to be paid by them to the oil producing countries.

In November, 1974, Saudi Arabia, United Arab Emirates and Qatar, meeting in Abu Dhabi, decided to lower the posted prices by 40 Cents per barrel but at the same time raised the rate of royalty and income tax applicable to the oil companies. It resulted in further increase of prices of crude supplied by the multi-national oil companies but the price of the oil supplied by the national oil companies of the oil producing countries registered a slight fall. The Abu Dhabi decision was endorsed by OPEC in their Vienna meeting in December.

The overall position during 1974 was that, as far as

India was concerned, the prices of crude supplied by multi national oil companies went up by over \$1.50 per barrel. The main features of structural change in crude oil pricing were that the producing countries increased their Government intake and the gap between revenue per barrel from major oil companies and the selling price per barrel of the national oil companies narrowed down. The selling price by national oil companies on direct sales now set the ceiling of prices beyond which multi-national oil companies would not go. Thus a single price had virtually come into being.

The Ministry of Petroleum & Chemicals, had increased its direct purchases from national oil companies and steadily reduced imports from private oil companies. The share of direct supplies from the national oil Companies increased to over half of the total imports in 1974 as against about one-third in 1973.

In view of the steep increases in crude oil prices, the Ministry of Petroleum & Chemicals besides intensifying efforts to maximise indigenous production which stood at 7.50 million tonnes, initiated a number of steps to improve product availability.

These measures included adjustment of yield pattern from refineries to obtain maximum yield of middle distillates, adjustment in production specifications, encouragement to efficiency in the use of fuels, and export of surplus items.

Simultaneously significant reduction was achieved in the consumption of several products through fiscal and regulatory measures. As a result of these steps the consumption of lubricants and motor spirit was reduced by 22.2 and 21.5 per cent respectively.

SPOTLIGHT ON COMMERCIAL VEHICLES INDUSTRY

India's commercial vehicle sector has achieved notable progress in recent years. The licensed capacity for the production of these vehicles is of the order of 110,000 numbers per year and the actual production was 51,300 numbers (1974). By 1978-79, the target of production of

heavy and medium vehicles has been placed at 64,000 while that of light vehicles is to be 28,000 and jeeps 18,000.

The commercial vehicle industry in India has made good headway in the context of export trade. The countries to which exports have been contracted by some of the leading Indian firms in the automobile industry include, for instance, Afghanistan, Uganda, Zaire, Sri Lanka, Malaysia, Nigeria and the West Indies. M/s Mahindra and Mahindra Bombay, for instance, exported 1175 jeeps and 102 trucks during 1973-74 to fetch foreign exchange worth Rs. 23.72 million. In addition, on hand they have orders to supply 497 jeeps and 69 trucks at a value of Rs 11.3 million. Another firm, M/s Telco Limited Bombay has to its credit an export turnover of Rs 65.5 million during 1973-74. The value of export by M/s Ashok Leyland Madras during the same year was over Rs 7 million. M/s Bajaj Tempo Ltd. Poona exported Rs 1.53 million worth while M/s Hindustan Motors Ltd. Uttarpara Rs 1.26 million, M/s Premier Automobiles Ltd. Bombay Rs 1.13 million in the same year.

The existing capacity for the production of passenger cars in India is 47,400 numbers a year. In 1974 actual production of cars was 36660 numbers. In 1973 cars production was 42465 numbers. The fall in production was due to a shift in demand ranging from high maintenance costs on account of petrol price hike. The production target of 60,000 numbers has been indicated by the end of the fifth five year plan (1978-79).

Production of motor vehicles, scooters, mopeds and three wheelers during 1974 was 54135 numbers, 25,670 numbers, 29,288 numbers and 12307 numbers respectively and production target to meet the anticipated demand for scooters, motor vehicles, mopeds and three wheelers has been estimated at 570,000 numbers. While two major scooter manufacturers have been granted licences for expansion of their capacity from 24,000 numbers to 48,000 numbers each per year, 18 parties including state industrial development corporations are holding letters of intent for the manufacture on scooters of the basis of wholly indigenous know-how. Total capacity of 425,000 numbers per year is anticipated in respect of two-wheelers and three-wheelers. During 1973-74 the automobile sector succeeded in exporting 821 scooters, 117 three-

wheelers and a few motorcycles. Apart from the progress achieved in respect of passenger cars, two /three-wheelers, there are seven units in India today to produce forklift trucks with an installed capacity of 5060 numbers. A high degree of indigenous content (70 to 80 per cent) has been achieved on the forklift trucks. The existing units are stated to be capable of meeting the indigenous requirements. As the internal demand has not come up as expected, the industry also tried for export markets. One of the manufacturers has made a beginning to export their forklift trucks to France and Federal Republic of Germany. Against a total export order of Rs 15 million, they exported worth approximately Rs 2.4 million in 1974.

Production of automobile ancillaries during 1974 reached a figure of Rs 1600 million. Several industrial licences have been granted during 1974 for the production of sophisticated ancillaries such as bimetal bars, crankshafts, fuel injection equipment and gears. With a massive investment on plant and machinery by automobile ancillaries under way an additional production potential of Rs 1200 million to 1500 million per year is expected to be created soon. The automobile industry enjoys a pride of place in the context of India's engineering production exports. The major items that are exported at present are fuel injection equipment, radiators, engine valves, tyre tube valves, shock absorbers and gaskets. The level of exports during 1973 was of the order of Rs 75.5 million.

FOREIGN ASSISTANCE TO INDIA

During 1974-75 (up to October 1974), India drew SDRs 573 million (Rs 5507 million) from the International Monetary Fund (IMF). At the beginning of 1974-75, India's holdings were SDRs 244.95 millions. SDRs 3.45 million have been utilised towards payment of charges on borrowings made from the IMF during the current fiscal year. Over and above a net amount of SDRs 1.97 million has become payable to the IMF on account of our participation in the SDRs scheme as on November 30, 1974.

India has also submitted a Detailed Project report. Requests in respect of 36 large-scale and 48 small scale

projects involving about 15.7 million U.S. dollars to the United Nations Development Programme during the period under review.

PROGRESS OF ATOMIC ENERGY IN INDIA

The successful underground nuclear experiment at Pokharan in Rajasthan on May 18, 1974 was the most outstanding development in the nuclear industry of India during 1974. Conducted as part of efforts to find ways of using underground explosions for constructive purposes, the experiment was the result of the Research and Development work at Bhabha Atomic Research Centre, according to the Annual Report of the Department of Atomic Energy for 1974-75. The plutonium device used was designed to yield about 12 kilotons of explosive energy. The explosion was completely contained and there was no release of radio activity. The experiment site is being studied comprehensively for collecting scientific data.

Under the programme of monitoring nuclear tests, all the major underground nuclear explosions of the year were detected and identified by the Gauribidanur Seismic Array System. The microbarograph network continued to operate at a high level of efficiency.

The Tarapur Atomic Power Station generated a total of 1196.821 million Kwh. upto the end of January, 1975. Unit I, which resumed operation in May, 1973, was shut down for refuelling on January 21, 1975, after operating at varying loads.

Unit II resumed operation after refuelling in July, 1974. It has operated satisfactorily at near full power since then. The most satisfactory aspect of operation of this Unit during the year has been the performance of its fuel. For the first time, a large number of fuel bundles produced at the Nuclear Fuel Complex, Hyderabad,

have been used and so far they do not appear to have developed any significant defects, in contrast to the experience with the previous fuel cycle.

Unit I of the Rajasthan Atomic Power Station which has been in commercial operation since December, 1973, attained a power level of more than 200 MW (gross) and is operating with an average availability of about 60 per cent.

Meanwhile construction work on Unit II of the Rajasthan Station is progressing.

At the Madras Atomic Power Project, the manufacture of major nuclear components for the Station is progressing satisfactorily while fabrication of conventional equipment like the turbogenerator and generator-transformer has been largely completed. As regards Narora Atomic Power Project, the site layout was finalised in July 1974. It may be noted that the Narora reactors, though of Candu type, will be incorporating certain major design changes.

Four Heavy Water Plants are under construction at Kota, Baroda, Tuticorin and Talcher to meet the requirements of heavy water for the nuclear power programme. When completed, these plants will produce about 315 tonnes of Heavy Water annually.

Pre-commissioning test of various units of the Baroda Plant are in progress. The plant is expected to be commissioned during 1975. Erection of some of the exchange unit towers in Kota has commenced. Erection and piping for the Tuticorin Plant is expected to commence in March 1975. The Tuticorin Plant is expected to be commissioned by March 1976, while the Kota Plant is expected to be ready for commissioning by the end of 1976.

The revised schedule for the Talcher plant is being worked out as the recent loss of two towers, damage to

a third tower and some other equipment during shipment upset its earlier schedule.

Significant progress was registered in the production, supply and development of new products in radioisotopes. A variety of radioisotopes, including radiopharmaceuticals, labelled compounds and equipment, were exported to several countries including Australia, Den-

mark and France. The sale value of radioisotopes equipment and services during the year totalled Rs. 6 million including Rs. 0.3 million in export.

ISOMED (Radiation plant for the sterilisation of medical products), the first of its kind in the country, has been offering regular irradiation service to manufacturers of medical products. □

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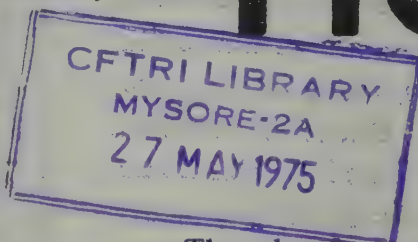
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REFRIGERATION EQUIPMENT TO MUSCAT

An agreement has been signed between an Indian firm, M/s. Batliboi and Company Private Ltd., V. B. Gandhi Marg, Bombay and M/s. Fahud Trading & Contracting Est. P. O. Box 294, Muscat for the supply from India of four cold storages, an ice-plant with a capacity of 100 tonnes per day and a generating set for cold storages, according to the information received from the Embassy of India, Muscat. The contract will earn foreign exchange worth Rs. 31.25 million by way of cost of machinery, installation charges and pay and allowances for the Indian technical experts entrusted with the job.

The importance of this contract flows from the fact that so far there are no cold storage plants in Muscat excepting in a couple of super markets. Besides direct foreign exchange earning, the contract concluded by the Bombay firm will facilitate the export of fresh eatables from India to Muscat.

Though of recent origin, India's air-conditioning and refrigeration sector has developed capability not only to meet the growing domestic demand but has also contributed sizeable sums of foreign exchange.

The Indian economy is self-sufficient in the manufacture of refrigeration equipment for cold storages, ice-plants and fish storages as also for Central airconditioning plants for multi storeyed buildings, office and industrial units. Currently, there are 20 units in the organised sector engaged in the manufacture of industrial air-conditioning and refrigeration equipment. Their annual production is estimated at Rs. 136 million. In the preceding year the turnover was of the order of Rs. 120 million.

STEADY INCREASE IN EXPORT OF ELECTRONIC GOODS

From a value of about Rs. 30 million in 1968, Indian exports in electronics rose to Rs. 92.60 million in

1974-75. There has not only been an increase of exports in financial terms, but also in the variety of items exported and the number of enterprises engaged in this activity.

Exports in 1974-75 comprised data processing equipment to the tune of Rs. 43.90 million, radio parts and electronic components of Rs. 39.3 million, public address equipment of Rs. 7.8 million and telecommunication equipment Rs. 3.10 million.

A new group of exporters has now emerged in India with a new range of products for export. Some of these products are amplifier systems and components, car radios, laboratory instruments, plastic film capacitors, electrolytic capacitors, mica capacitors, resistors, printed circuit boards, semi-conductor devices and so on.

Electronic product export during the Fifth Five Year Plan (ending 1978-79) is expected to be about Rs. 1170 million excluding exports from Santa Cruz and other electronic export processing zones, which might also become operative during the Plan. Out of the targetted export value, the existing export base is to contribute Rs. 600 million during the plan period; the existing export channels consist of consumer products and components, professional equipment and data processing equipment. New export avenues in public sector are expected to fetch Rs. 300 million; for instance M/s. Bharat Electronics Ltd. is to export radar equipment worth about Rs. 200 million. M/s. Indian Telephone Industry (ITI) expects to double its exports from 5 per cent to 10 per cent of its production. M/s. Electronics Corporation of India Ltd. is likely to export sophisticated instruments to East Europe and U.S.S.R. under trade agreements. New export-oriented projects promoted recently are expected to fetch Rs. 250 million during the Fifth plan period. A number of export oriented projects both in the public and private sector have been approved for items like various kinds of capacitors, colour TV components desk calculators, ferrites, radio parts and consumer goods. In addition to these export prospects, software exports are expected to fetch Rs. 20 million during the Fifth Plan; export projects for software have been established with USA, USSR, Spain and Federal Republic of Germany.

The countries to which India has been exporting electronic items include Netherlands, Czechoslovakia, U.K., Singapore, Ethiopia, Sudan, Sri Lanka, Oman, Iran, East Africa, Malaysia, Greece, Afghanistan, Thailand, Federal Republic of Germany, New Zealand, Italy, USA, Australia, Japan, Hungary, France and so on.

The Santa Cruz Export Processing Zone is a 100 per cent export-oriented electronics processing zone in an area of about 91 acres at Santa Cruz, Bombay. It is designed to attain its optimum level of production in 1977-78.

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when it is expected to reach an average annual rate of export of about Rs. 500 million with an average value added around 50 per cent. Imports to and export from the Zone are duty free. Exports for the domestic tariff area to the Zone are treated as normal exports for the country and are eligible for all the prevailing export incentives.

The production of electronic equipment and components rose to Rs. 3000 million during 1974 according to the Department of Electronics, Government of India. This represents an average growth rate of 20 per cent which has been maintained on a steady basis during the preceding years. This growth rate has not been the result of a random spurt in some particular sector of the industry, but broadly in all sectors of the industry viz., consumer electronics and mass communications, telecommunications, computers, controls and instrumentation aerospace and defence equipment.

A large number of States in India are now evincing keen interest in taking up projects to manufacture a variety of electronic items; a few States have already set up separate Corporations to look after the development of electronics in their respective States. A substantial number of letters of intent for producing several electronic items have been issued in favour of the State Corporations; some of these have already been acted upon by the respective State level agencies.

In cooperation with the State Government and through provision of suitable grants, the Department of Electronics is helping the establishment of Testing and Development Centres to act as nucleating points for the growth of electronics. Such Centres have already started functioning at the Vikram Sarabhai Instronics Estate at Madras, set up by the Government of Tamil Nadu, and in the Makarpura Industrial Estate at Baroda, set up by the Government of Gujarat. Others which are in the process of being established are at Calcutta, Kanpur Rajasthan, Punjab, Kerala, Andhra Pradesh, Maharashtra (Poona and Nagpur) and at Chandigarh.

Considerable amount of preparatory work has been completed on the project relating to the setting up of

the Computer Maintenance Corporation. The Corporation will look after the maintenance and servicing of all non-indigenous computers in the country and avoid the need to have a large number of separate maintenance groups to look after computers imported from different sources abroad.

A comprehensive Technology Development Plan is being evolved on a continual basis with a view to maximising the impact of effort in this area on effective implementation of programmes included in the Fifth Five Year Plan. Over 30 high priority technology development projects have already been approved and are in various stages of implementation.

In the field of tele-communications, the Department works closely with the Ministry of Communications and the P&T Department in formulating operational strategies for the implementation of the telecommunication plan, with increased indigenous content, as compared to Fourth Five Year Plan. In view of the difficult financial situation, it has not been possible to promote and expedite the setting up of new manufacturing units on the scale envisaged earlier.

A comprehensive long term plan of the country's needs of Radars, for both defence and civilian use, is being prepared in full consultation with all concerned, under the auspices of the National Radar Council set under the Electronics Commission.

Simultaneously, action is being taken to attend to certain short-term problems; to improve the performance of the existing radar systems to meet indigenously some of the urgent needs of major users, especially in the field of low power radars, in which a satisfactory level of indigenous capability has now been reached; and in ensuring spares for existing systems.

Feasibility Reports have been prepared on two projects viz., production of two way Radio Communication Equipment and the Semi-conductor Production and Research Corporation.

The Television industry in the Small Scale Sector operated satisfactorily and registered a small increase in

production during 1974 as compared to 1973. However, due to the inadequate availability of picture tubes in the country, allocation, both to the existing units and to new units, could not be maintained to the required degree. Hence Government have taken a decision to import 40,000 picture tubes through the Electronics Trade & Technology Development Corporation which has been set up recently under the Department of Electronics. This is under implementation. It is expected that as a result of these efforts, the shortage experienced by TV manufacturers of picture tubes would be overcome to a considerable degree.

TRENDS IN INDIA'S FOREIGN TRADE

In the first eleven months of 1974-75 (April 1974 to February 1975), India's export trade totalled Rs. 29190 million while its import bill was valued at Rs. 37860 million. The adverse balance of trade was thus of the order of Rs. 8670 million.

During April to November 1974, for which period countrywise trade details are available, the highest trade deficit was in respect of Iran. Indian exports to Iran were Rs. 1046.90 million. and her imports therefrom Rs. 3218 million, the deficit being Rs. 2171 million. Other countries with which India suffered large trade deficit in this period were Saudi Arabia, Iraq, West Germany, U.S.A., Japan, Canada, Australia, Argentina and Zambia in that order.

INDIAN COACHES TO PHILIPPINES

Twenty economy class passenger coaches, against a contract for supply of thirty, are ready for shipment to Philippines from India. The contract is on f.o.b. basis

and on deferred payment terms. The terms stipulate that 10 per cent of the payment is to be made on signing of the contract, 5 per cent on shipment and 85 per cent over eleven years.

In 1974-75, India supplied 50 broad gauge economy class coaches to Bangladesh.

At present, export orders on hand for railway equipment other than rail wagons are valued at Rs. 48.60 million and these orders are from Bangladesh, Burma, Philippines, Taiwan, Canada, Newzealand and Rumania.

EXPORT TRADE IN RADIO ISOTOPES

A variety of radio-isotopes, including radio-pharmaceuticals, labelled compounds and equipment, were exported by India to several countries including Australia, Denmark and France. The export value of radio isotopes, equipment and services amounted to Rs. 0.3 million in 1974-75, while the sale value in these lines totalled Rs. 5.96 million in the same year.

During 1974-75 an important export achievement was in respect of supply of 500 millicuries of sodium acetate 1-C-14 to France.

Isotope radiography is one field where India's nuclear industry has achieved progress. Besides supplying cameras containing high intensity iridium sources to major industrial undertakings within the country, India has also exported radiography cameras to Malaysia.

Also a gamma chamber costing Rs. 140,000 was exported and installed at the University of Singapore.

INDIAN BICYCLES MOVE TO U.S.A.

The first containerised shipment of 900 bicycles from India was received in New York recently. The bicycles

were of 10-speed racing model and 10-speed, 5-speed and 3-speed touring models. This was the outcome of the efforts of the Trade Development Authority in co-operation with an Indian Bicycle Manufacturing Firm and an American Export Line.

This marks India's entry into the intensely competitive racing bicycle market in the USA. This competition is generally with the European and Japanese bicycle manufacturers. The containerisation has solved some of the major problems of the importers and distributors by practically eliminating chances of damage and pilferage. This system should lead to a steady increase in India's exports of bicycles to USA.

The Indian bicycles are gradually becoming popular in USA. 2,000 Indian bicycles can now be seen in the Central Park of New York on any cycling day, rented to young cyclists.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

PRODUCTION TARGET OF ENGINEERING INDUSTRIES

The production target for engineering industries for 1975-76 has been set at over Rs. 40,000 million. This is based on the assumption that the welcome trends of increased availability of steel, coal and power would continue during this year. The production effort would be coupled with higher investments in the key sectors.

The gross value of production of engineering goods in 1973-74 was Rs. 30000 million as compared to only Rs. 550 million in 1950-51 from medium and large scale industries. During 1974-75, the production increased to Rs. 36,000 million which was remarkable in view of the severe stresses experienced by the national economy. There was substantial growth during the year in quantita-

tive terms in several sectors such as tractors, scooters, hydel and thermal generators, machine-tools and sewing machines. Although the increase in the value of production was partly contributed by price inflation, the performance of public sector units was particularly encouraging.

The increased production of engineering equipment and products has already brought a bonus in the form of valuable foreign exchange earnings through exports. From an insignificant figure of Rs. 60 million in 1950-51 the exports rose to Rs. 1930 million in 1973-74 and further to Rs. 3000 million in 1974-75. The new import policy announced recently, provides for supply of adequate raw materials and other inputs to export-oriented industries for greater utilisation of existing capacities. These steps are expected to promote the exports further in 1975-76.

CAPACITY UTILISATION IN STEEL INDUSTRY GOES UP

In 1974-75 production of saleable steel by the five integrated producers amounted to 4.9 million tonnes. Steel industry was able to use 73 per cent of its capacity. This capacity utilisation is an all-time record for the steel industry and is the result of a significant improvement in capacity utilisation at all the plants in the last six months of 1974-75 as compared to the previous six months. This is partly owing to seasonal factors and also reflects higher efficiency.

The capacity utilisation in Bhilai Steel Plant in 1974-75 continued to be 86 per cent as in the previous year. In the case of Durgapur Steel Plant, the capacity utilisation increased from 30 per cent in 1973-74 to 42 per cent in 1974-75. In the case of Rourkela Steel Plant the capacity utilisation increased from 60 per cent to 66 per cent, which is a record for this Plant. In the case of Tata Iron & Steel Company (TISCO) production had been severely affected in 1973-74 reducing its capacity utilisation to 80 per cent. In 1974-75, TISCO was able to reach 97 per cent of its

capacity. In the case of Indian Iron & Steel Company, capacity utilisation went up from 45 percent in 1973-74 to 52 percent in 1974-75. For all the five integrated plants put together, capacity utilisation went up from 65 per cent in 1973-74 to 73 percent in 1974-75.

For increasing the capacity utilisation many major steps have been taken over the recent years. Steel Authority of India was established in January 1973, *inter alia*, to coordinate all the requirements of the steel industry. The increase in capacity utilisation has been made possible by the high degree of coordinated effort at the steel plants (which includes especially movement and availability of inputs like coal, power, Naphtha, fuel oil, iron ore, etc) which are very necessary for the increase in capacity utilisation. It was possible through coordinated efforts to step up the availability of coking coal to the steel plants and maximise production of saleable steel. Movement of saleable steel was changed from wagon loads to train loads. This not only increased the capacity of the railway system but also reduced the stocks with the main plants. Higher stocks within the plants were choking the plants and impeding their day-to-day operations. Movement in full train loads has also helped in stepping up capacity utilisation.

At present, Bhilai produces the largest quantity of steel in the country. In 1974-75, of the total production of 4.900 million tonnes, 35 per cent was from Bhilai. Not only does Bhilai produce the largest quantity of steel in the country, but it also utilises a very high percentage of its capacity. During the last four years, capacity utilisation in Bhilai has been between 80 to 90 per cent. In the last six months of 1974-75, the operations at Bhilai had shown a particularly significant improvement with the plant operating at a rate of 1.82 million tonnes of saleable steel per annum, which is equivalent to 93 per cent of the rated capacity.

In 1974-75, TISCO production of saleable steel formed 97 per cent of rated capacity, as compared to 80 per cent in 1973-74.

After 1964-65, production in Durgapur had been going down. In 1974-75, production of 520,000 tonnes

of saleable steel by Durgapur meant an increase by 38 per cent as compared to the previous year.

The management of Indian Iron & Steel Company Limited was taken over by Government from April 14, 1972. This was done with a view to arresting the steep fall in production of the steel plant at Burnpur. In the year 1974-75, production in Indian Iron and Steel Company has increased by 16 per cent (from 358000 tonnes to 414000 tonnes). Capacity utilisation in this plant has also gone up to 52 per cent from 45 per cent in 1973-74.

After the take-over of the management of IISCO in 1972, the technical health of the various items of plant and machinery was examined and a plant rehabilitation programme has been drawn up. This programme envisages an investment of Rs. 480 million to restore the capacity of the steel plant to produce close to the installed capacity.

PROGRESS IN OFF SHORE OIL DISCOVERY

The most important event in the exploration history of India is the discovery of oil in the offshore Bombay High structure where all the wells drilled so far turned out to be oil bearing, according to the Annual Report of the Ministry of Petroleum & Chemicals for the year 1974-75.

Oil exploration both onshore and offshore was accorded the highest national importance and urgency with the twin objective of substantially increasing the country's crude oil reserves and also stepping up the rate of indigenous production.

The indigenous production of crude in the country from onshore fields increased by nearly half a million tonnes during 1974. The production in 1974 was 7.5 million tonnes and this was expected to go upto 11.64 million tonnes by the end of the Fifth Plan (1978-79).

The Oil & Natural Gas Commission and Oil India Limited—two oil exploring agencies have so far dis-

covered nearly 189 million tonnes of recoverable reserve and have already given a cumulative production of about 72 million tonnes from onshore areas. Another 70-100 million tonnes of additional recoverable reserves were likely to be established during the Fifth Plan period as a result of ONGC's prospective planning for oil exploration and production.

The ONGC drilled 69 new wells with a total meterage of 136,915 in Gujarat, Assam, Tripura, Rajasthan, Tamil Nadu, Pondicherry and the Arabian Sea in nine months from April to December, 1974. The ONGC thus drilled a total of 1143 wells by now in 123 structures in various States. These wells included those drilled in offshore areas.

Oil India Limited which holds mining leases in north-east India produced 3.08 million tonnes of crude during 1974. It completed five development wells and three exploratory wells during the year. The company resumed exploratory drilling at Kharsang in the Ningru Area of Arunachal Pradesh and proposed to extract LPG from its natural gas at the rate of 48,000 tonnes per annum.

Not only efforts at oil exploration in onshore areas were being intensified but the search was also being extended to the continental shelf areas in a big way. The Sagar Samrat had already drilled several wells on the offshore Bombay High structure and oil had been found in all the wells drilled so far. The average rate of flow of oil from the second and third wells was around 2000-2500 barrels per day, which was several times more than that of onshore wells. After acidisation, the flow of oil from the third well improved to about 5000 barrels per day.

An important feature of the Bombay High structure was that the oil has been found in the limestone formations which had proved to be good oil producers in West Asian countries. A few more delineation wells would help make a precise estimate of the production potential of this area.

The first stage of production is, however, being established so as to yield oil at the rate of about 1 million tonnes per annum during 1976-77.

The Sagar Samrat has recently spudded the fifth well in the Bombay High structure and it is expected that this latest well, already drilled to a depth of more than 300 metres, is to be completed soon.

In addition to Sagar Samrat, ONGC is acquiring two more mobile rigs to intensify its offshore drilling efforts in the Bombay High structure. It is hoped that the Commission's drilling capability would increase substantially with the help of these additional rigs.

Oil exploration had also been taken up in two more offshore areas. Two contracts on production-sharing basis were awarded during the year for the Bengal and Kutch basins. Reconnaissance seismic surveys of these areas had been completed and the exploratory well were likely to be drilled in the last quarter of 1975 after the necessary data had been processed and interpreted.

A fully equipped seismic survey ship to conduct detailed survey in the offshore areas and speed up exploration further was expected to be delivered soon. This vessel is likely to be in operation in the Indian waters by the middle of 1975.

Hydrocarbons India Ltd., a subsidiary company of the ONGC holding shares in an Iranian oil company, continued to operate in the Rostam and Baksh areas of the Persian Gulf. Nearly 3 million tonnes of crude was expected to be received from these areas during the Fifth Plan period as share of the Hydrocarbons India Ltd.

In addition, ONGC continued its exploration operations in the 4175 sq.Kms. area acquired by it in Iran. The first exploration well there was likely to be spudded by the middle of 1975.

FACTS ON POWER GENERATION IN INDIA

Power requirement in India is of the order of 225 million units a day. The availability today is about

190 million units, leaving an overall daily deficit of 35 million units.

Sixty per cent of the electrical energy comes from thermal, including nuclear stations and about 40 per cent from the hydro units.

There has been an increase of about 12 per cent in generation from thermal power stations during April 1974 to March 1975, compared to the corresponding period last year.

Among the hydel projects, Bhakra tops the list with its installed capacity at 1.2 million KW.

Other important hydro-electric stations are Koyna and Tata Hydro in Maharashtra, Rihand in U.P., Hirakud and Balimela in Orissa, Machkund and Upper Sileru in Andhra Pradesh, Gandhi Sagar, Jawahar Sagar and Ranaprata Sagar in Madhya Pradesh, Sharavathy in Karnataka, Sabarigiri in Kerala, Kundah, Mettur, Periyar and Kodayar in Tamil Nadu.

The installed capacity of power in the country at the end of the Fourth Plan was about 18.5 million KW. During the first year of the Fifth Plan, 1.72 million KW installed capacity had been added, which represents a four-fold increase in the addition to the installed capacity as compared to the last year of the Fourth Plan.

On completion of the schemes under construction, utilisation of hydro potential in the country would amount to only 17.6 per cent. Hydro-electric energy is renewable, resource saving and cost attractive.

Major portion of India's hydro power potential is concentrated in the Northern Himalayan ranges in many hydro-electric projects which are under planning or execution.

FIRST 50-TONNE ARC FURNACE TO BE BUILT IN INDIA

Engineering Projects (India) Limited (EPI), a Government of India undertaking under the Ministry

of Industry and Civil Supplies, has received an order for supply of a 50-tonne Electric Arc Furnace with a 50 MVA Transformer from a major alloy steel company in the private sector in Bombay. This furnace, the largest to be built and installed in India so far, will be used for the production of special alloy steels. It is being designed and built by EPI in technical collaboration with DEMAG of West Germany under an industrial licence issued to EPI recently for the manufacture of large capacity electric arc and reduction furnaces.

In the furnaces field, EPI has received orders for 14 furnaces valued at over Rs. 30 million from customers in India and foreign countries. These include an export order from France for 2 billet- re-heating furnaces for a steel plant and two other orders, one from Bharat Aluminium Co., Korba, and the other from Bharat Pumps and Compressors Ltd., Naini, Allahabad.

A leading prime contracting company in India, EPI has already completed a number of projects. Currently, EPI is implementing 30 turn-key projects of an aggregate value of Rs. 1000 million which include three export orders of the value of about Rs. 100 million.

IRRIGATION SCHEMES IN INDIA

An additional irrigation potential of 11.4 million hectares had been developed by the execution of major and medium schemes till 1974-75, according to the Annual Report of the Department of Irrigation, Ministry of Agriculture and Irrigation for the year. The major and medium irrigation schemes taken up since the beginning of the planned era 1951, numbered 97 and 513 respectively. Out of these, 22 major and 358 medium schemes were completed.

The programme drawn up for the Fifth Plan (1973-74 to 1978-79) envisages completion of all the 155 medium on-going schemes and 64 out of 75 major continuing

projects of earlier plans. Additional 109 major and 313 medium new schemes are proposed to be taken up in the Fifth Plan period. The target of irrigated potential during the Fifth Plan is 6.2 million hectares.

Completion of head-works for Rajasthan Canal and Ramganga projects i.e. dams at Pong and Kalagarh were the highlights of the irrigation development during the current year. This would provide stored water for irrigation of large areas. Completion of phase-I of Sarda Sahayak project, the biggest single irrigation project in the country, was another important achievement which will create a potential of 0.127 million hectares.

The report adds that the floods of 1974 caused considerable damage in Assam, Bihar, Kerala, Uttar Pradesh and West Bengal. The loss in these States accounted for about 95 per cent of the total damage in the country of Rs. 5690 million. To forecast floods, eight flood forecasting centres had been set up by the Central Government in the most vulnerable river basins in the country. Flood forecasting unit for Godavari was set up during this year. This provided great assistance to the State Government in organising effective evacuation and relief measures.

A proposal for taking-over the responsibilities of flood control in the Brahmaputra valley had also been engaging the attention of the Central Government for sometime. During the year, a sum of Rs. 60 million was made available to the State Government for flood control works in the Brahmaputra valley.

The designs wing of the Central Water Commission rendered assistance to the various State Governments and project authorities in the preparation of designs, specifications, lay-outs and detailed drawings for planning and construction of river valley projects and special problems in the designs of structures. Foreign countries which received such assistances for their projects included

Indonesia, Afghanistan, Nepal, Nigeria, Sikkim, Bhutan and Sri Lanka.

INDIGENOUS TECHNOLOGY FOR RECTIFIER EQUIPMENT

A major break-through has been achieved by the Bhopal Unit of Bharat Heavy Electricals Limited through the replacement of foreign technology by indigenous technology in the field of rectifier equipment required for rail traffic. At Vangani Traction Substation, 78 Kms. from Bombay, the very old imported Mechanical Rectifiers have been replaced by the first set of Silicon Rectifiers and associated equipment successfully built at BHEL, Bhopal. Erection and commissioning work has also been completed by the Bhopal factory.

BHEL, Bhopal-built rectifier equipment has already made available an additional 24,000 KW D.C. power for the haulage of freight and passenger traffic on Kalyan-Poona line and Kalyan-Igatpuri line of Central Railway. With the Commissioning of Vangani Substation, another 3,000 KW D.C. power has been made available to the Central Railway.

The Vangani Substation had 3 sets of imported units, each rated at 2,000 KW D.C. With a view to ensuring uninterrupted traffic, only one set was dismantled. The erection work for replacing the first unit was carried out by BHEL, Bhopal engineers, technicians and workers, while the other portions of the Substation were alive.

BHEL, Bhopal has already commissioned 5 Substations on Kalyan-Poona line and 1 Substation on Kalyan-Igatpuri line of the Central Railway. The Vangani Substation is the 6th Substation to be commissioned on Kalyan-Poona line.

FOREIGN EXCHANGE FROM TRADE FAIRS AND EXHIBITIONS ABROAD

Export business generated through India's participation in Trade fairs and organisation of exhibitions abroad totalled Rs. 114.61 million in 1974-75. The business secured in 1973-74 was of the order of Rs. 128 million and in 1972-73 Rs. 99.19 million. Thus in the last three years, the total business generated was worth Rs. 341.80 million.

During 1972-73, 1973-74 and 1974-75, the Government of India (Ministry of Commerce) arranged participation in 55 events (fairs/exhibitions) abroad. Of these, 18 were organised in 1972-73, 22 in 1973-74 and 15 in 1974-75.

The total expenditure incurred on the participations in the three year period mentioned above, amounted to Rs. 15.66 million of which Rs. 11.23 million was in terms of foreign exchange and the rest (Rs. 4.43 million) in terms of Indian currency.

EXCLUSIVE INDIAN TRADE EXHIBITION AT SEOUL

India has organised an exclusive trade Exhibition for the first time at Seoul, the capital of the Republic of Korea. The Exhibition aims at projecting India's progress in selected fields as well as exploring the possibilities for joint ventures between Indian and Korean entrepreneurs.

The Exhibition was inaugurated on April 25 last by Mr. Nam Duck Woo, Deputy Prime Minister of the Republic of Korea in the presence of a large gathering of Korean Ministers including Ministers of Foreign Affairs and Commerce, high ranking officials, diplomats,

Korean businessmen and manufacturers, representatives of news media and Indian nationals.

At the inaugural ceremony, Mr. Woo expressed his Government's appreciation and thanks to the Government of India for having organised an impressive industrial and trade exhibition which he characterized as a significant event in Korea and a landmark in Indo-Korean economic relations. The Deputy Prime Minister welcomed the exhibition as a symbol of goodwill and international cooperation.

A total number of 74 Indian Firms participated in Seoul Exhibition by displaying a variety of engineering goods, minerals, chemicals and allied products, leather, plastics and linoleum products and handicraft items. India's capability of manufacturing and exporting quality heavy and light engineering goods, automobiles, bicycles, scientific instruments, electrical appliances, chemicals and fertilizers, textiles and handicrafts were vividly displayed in an area of 675 sq. metres. Prominent among engineering items are machine tools, medical equipment, pumps, sluice valves, teleprinters, T. V. sets, pulling and lifting machines, switchgears, textile machinery, diesel engines, power cables, cinema projectors and fire fighting equipment. In the category of non-engineering goods, mention may be made of leather goods, PVC pipes and linoleum. The handicraft items include bronze statues, bags and camping equipment of canvas, tarpaulin and export goods.

The Exhibition was held from April 25 to May 6, 1975. It is hoped that this first wholly Indian Exhibition in the Republic of Korea will prove to be a landmark in the growing trade and economic relations between the two countries.

INTEREST FOR INDIAN GOODS IN ITALY

The Milan International Fair offered an ideal opportunity for the Indian manufacturers and exporters.

36 parties exhibited their products at the India Pavilion in this Fair, recently held in Milan. They exhibited products such as engineering goods, electrical goods, textiles including ready-made garments, handicrafts, imitation jewellery and consumer goods. Eleven representatives of the participating firms attended the Fair to deal with various trade enquiries pertaining to their goods on display and also to negotiate on-the-spot business.

Some of the Indian firms also participated in the retail sales sector of the Fair and conducted sales of jewellery, imitation jewellery, ready-made garments, handicrafts etc. The visitors took keen interest in the India made products, specially the consumer goods.

Trade between India and Italy has been increasing during the recent years. Of late, non-traditional products like engineering goods have also made their way in the Italian market. The participation of India in the recent Milan Fair has given an opportunity to expand and intensify the trade between the two countries.

PRICE SITUATION IN INDIA— AN OUTLOOK

Only a few months ago, there was considerable criticism, both in the country and abroad, that India was having one of the highest rates of inflation in the world. There was truth in this statement, since the annual rate of inflation had reached the level of 30 per cent which is seldom seen in peace time conditions. Though inflation had become a world-wide phenomenon, most of the important countries abroad were still approaching what is called double-digit inflation at the time when the Indian economy had passed the 20 per cent mark. The energy crisis and the rise in prices of internationally traded raw materials and foodgrains had helped to produce this result.

Since then, however, there has been a dramatic change in the situation. Whereas the rate of inflation has crossed 20 per cent in UK and some other countries and there seems to be no immediate let-up in inflationary pressures there, in India the annual rate of price rise has been brought down to less than 8 per cent. No doubt, countries like Japan, where the rate of inflation is high, and West Germany where it is low, have recently taken measures to check inflation and in the USA some price declines have been recorded in the past 3 months or so, but the performance of the Indian economy stands out in this regard. For, in India, the general price level has now registered a fall month by month for the last six months. From a high of 32 per cent annual rate of inflation in the third week of September 1974, at the end of March 1975, wholesale prices were only 7.6 per cent above the level of a year earlier.

The events leading up to the record price rise of 32 per cent are well known. Starting with certain distortions emanating from the Bangladesh crisis, the Indian economy, ever sensitive to the behaviour of the monsoons, suffered a small decline in agricultural output in 1971-72 and a much sharper one in 1972-73. In 1973-74, the output did surpass the 1970-71 peak but growth of population offset the output rise.

The erratic behaviour of the monsoons in 1971-72 and 1972-73 not only affected agriculture but also industrial production. Firstly, there was a shortage of agricultural raw materials, and in addition, the power situation became acute. In these circumstances, the excess demand in the economy arising from the expenditure in connection with the Bangladesh problem, and drought and other relief, had to be directly tackled, which was done through the anti-inflationary measures of July 1974. Not only were credit restrictions tightened, potential purchasing power in the hands of consumers was frozen so that inflationary pressures could be brought under control. Through a supplementary budget, additional resources were raised and deficit financing was kept within reasonable limits. These fiscal and monetary measures were supplemented by administrative measures to check hoarding and profiteering.

The psychology of shortages and rising prices has now given place to the feeling that inflationary pressures can be successfully kept in check.

The coming year (1975-76) is not one in which price stability will be achieved without strenuous and sustained efforts. Government's anti-inflationary measures will have to be followed through until the imbalance between aggregate supply and aggregate demand has been eliminated. The rate of expansion of both money supply and credit is now in much closer consonance with the real rate of growth of output, but the growth of output itself has not yet reached proportions where it can be stated with confidence that shortages will not develop

if control over money supply is relaxed. No doubt, India can look forward to a significant improvement in the power situation as there has been an addition to generating capacity of about 10 per cent during 1974-75. Coal production too has improved significantly, and so has railway transport which often proved a bottleneck both in the movement of raw materials and finished products. Government's efforts in this direction have borne fruit, and availability of essential items like steel and cement has improved considerably. Industrial production in 1975-76 may thus register an appreciable rise. Given normal agricultural output, the outlook for price stability appears to be, on the whole, much better than in the past year. □

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EXPORT OF LABOUR INTENSIVE ENGINEERING PRODUCTS

India's export trade in labour intensive engineering products totalled Rs. 743 million in 1973-74 contributing over 41 per cent of the country's exports of engineering products in the year which amounted to Rs. 1800 million according to the Engineering Export Promotion Council, Calcutta. The labour intensive engineering items are targetted to fetch an export value of Rs. 957 million in 1974-75 and Rs. 1860 million in 1978-79, the terminal year of the Fifth Five Year Plan. In these two years, the targetted total value of engineering exports are Rs. 2500 million and Rs. 4600 million.

The labour intensive engineering group that has been active on India's export front mainly comprises auto parts (Rs. 119 million in 1973-74), bicycle parts (Rs. 136 million), machine tools (Rs. 37 million), and, small and cutting tools (Rs. 99 million), diesel engines.

pumps and compressors (Rs. 80 million), heating and cooling equipment (Rs. 16 million), electric fans (Rs. 24 million), electronics (Rs. 93 million), batteries (Rs. 30 million), sewing and knitting machines (Rs. 13 million), electrical accessories and appliances including lamps, and tubes (Rs. 34 million), oil lamps and stoves (Rs. 19.5 million) and so on.

Besides labour intensive items, export of primarily steel and pig iron based items fetched Rs. 411 million in 1973-74. In this group, the export earning of steel pipes and tubes was of the order of Rs. 169 million, bright bars Rs. 23.40 million, mild steel and high carbon wire products (Rs. 64.60 million), castings and forgings (Rs. 57.8 million).

The capital goods sector of the country's engineering industry secured Rs. 556 million through the export trade in the same year. Of this, the contribution of industrial plant and machinery was Rs. 144 million

(textile and jute mill machinery Rs. 34 million, sugar machinery Rs. 30 million, food processing, cement machinery Rs. 11 million and other items including excavators, tractors, earth moving equipment Rs. 57 million); heavy electricals Rs. 61 million; fabricated steel structurals Rs. 113 million (transmission line towers Rs. 24.40 million; boilers including pressure vessels Rs. 28.50 million, cranes and lifts Rs. 8 million and other steel structurals Rs. 52 million); wires and cables Rs. 115.40 million, wagons, coaches and other railway equipment (Rs. 62 million) and complete vehicles Rs. 61.40 million.

Primarily non-ferrous based items also contributed their share through the country's engineering exports. The export value of this group amounted to Rs. 92 million during 1973-74. Aluminium products, EPNS ware and other non-ferrous products were prominent in the export field.

A brief look at the region wise distribution of India's export trade of engineering goods would indicate that South East Asia was the most important customer at Rs. 580 million in 1973-74. West Asia in the same year absorbed the engineering goods worth Rs. 478 million. The African continent, next in importance, imported from India engineering products at a value of Rs. 271 million. East European purchases in the year amounted to Rs. 219 million while West Europe imported worth Rs. 215 million. North and Central Americas accounted for an offtake of Rs. 112 million while South America absorbed Rs. 9.5 million.

In the South East Asian region, the most important importers of Indian engineering products were Malaysia (Rs. 113 million), Bangladesh (Rs. 102 million), Singapore (Rs. 74.3 million), Sri Lanka (Rs. 49 million), Nepal (Rs. 44 million), Hongkong (Rs. 40 million), Japan (Rs. 39 million), Indonesia (Rs. 38 million) and Thailand (Rs. 36 million) in that year.

In the West Asian region which absorbed the Indian engineering products at a value of Rs. 478 million in

1973-74, Iran was the outstanding customer and its imports in the year amounted to Rs. 144 million. Other important importers which absorbed sizeable quantity of engineering products from India were Iraq (Rs. 67.4 million), Saudi Arabia (Rs. 67.3 million), Kuwait (Rs. 42 million) and United Arab Emirates (Rs. 60 million).

In the African region the prominent customers were Nigeria (Rs. 58.4 million), Libya (Rs. 50.8 million), Kenya (Rs. 49 million), Tanzania (Rs. 22 million) and Sudan (Rs. 16 million).

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In the East European region, the Soviet Union absorbed Indian engineering products worth Rs. 81 million while Yugoslavia imported at a value of Rs. 39 million, Czechoslovakia Rs. 27 million, and German Democratic Republic Rs. 8.5 million.

The West European region as a whole bought the engineering items from India at Rs. 215 million in 1973-74 of which the enlarged Economic Community purchased worth Rs. 195 million (U. K. at Rs. 92 million, German Federal Republic Rs. 70 million, France Rs. 10 million, Italy Rs. 7.3 million, Netherlands Rs. 11 million and Belgium Rs. 4.6 million.)

The United States of America purchased the engineering products from India at Rs. 103 million. Australia and New Zealand took goods worth Rs. 21 million and Rs. 14.6 million respectively.

ASSOCIATION OF IRON ORE EXPORTING COUNTRIES FORMED

A significant step forward in the formation of the Association of Iron Ore Exporting Countries was taken in New Delhi with Mauritania affixing its signature to the Agreement for establishing the Association. Mauritania is the first country to sign the Agreement.

The Agreement was finalised and approved by the Ministerial Meeting of Iron Ore Exporting Countries held in Geneva in April, 1975 under the Chairmanship of Prof. D.P. Chattopadhyaya, India's Minister of Commerce. The Final Act containing the text of the Agreement was signed by 11 countries, namely, Algeria, Australia, Brazil, Chile, India, Mauritania, Peru, Sierra Leone, Sweden, Tunisia and Venezuela.

The Agreement shall remain open for signatures at New Delhi by the duly accredited representatives of the countries eligible to become members of the Association and whose names have been listed in the Agreement itself. The Agreement shall enter into force thirty days after signature by seven countries. India was chosen the depositary country for the Agreement. India will perform depositary functions in relation to a Treaty for the first time. These functions include keeping custody of the original text of the Agreement and of full powers delivered to the depositary; receiving signatures to the Agreement and receiving and keeping custody of any instruments, notifications and communications relating to it, and informing the parties and States entitled to become parties to the Agreement of acts, notifications and communications relating to the Agreement.

The Ministerial Meeting held in April 1975 also decided to set up a Working Group consisting of six countries to do the necessary preparatory work for convening the First Session of the Conference of Ministers of the proposed Association. The Government of India will be the co-ordinator of the Working Group and convener of the First Session of the Conference. The Working Group is likely to meet in June.

In the first eight months of 1974-75 (April-November 1974) India's export trade in iron ore totalled 11.17 million tonnes at Rs. 728.10 million. The major importer, namely, Japan absorbed 8.9 million tonnes at a value of Rs. 569 million. During 1973-74 the export value of iron ore and concentrates amounted to Rs. 1328.30 million (23.75 million tonnes). In this year the Japanese offtake was of the order of 19.24 million tonnes at Rs. 1080 million. The other important importers in this year were Rumania (Rs. 98 million) and Czechoslovakia. During 1974-75, it is estimated that iron ore exports from India totalled 22.4 million tonnes at Rs. 1650 million. In 1973-74, the export was 24.4 million tonnes (Rs. 1460 million).

The total world production of iron ore in 1973 was 794 million tonnes) The production of the signatories

of the Agreement was 243 million tonnes or 30 per cent of the total world production. World exports of iron ore were 246.6 million tonnes in 1973 and the share of the signatory countries was 189 million tonnes (76 per cent of global exports). India's production of the ore (1973) was 35.2 million tonnes which was 4.4 per cent of total world production and 14 percent of the production of the signatory countries. The share of India in the world exports (1972) was 8.6 per cent while in relation to exports of signatory countries, Indian share was 11 per cent.

There has been a boom in steel industry and steel prices increased by about 400 per cent. But there was no corresponding increase in the prices of iron ore which is the main input for steel manufacture. The recessionary trend in steel production has already set in. Despite this development, India has been able to get substantial increases for export of iron ore at different levels from different countries ranging from 35 to 65 per cent. The efforts of the Association of Iron Ore Exporting countries are expected to help sustain the iron ore prices notwithstanding the recessionary trends in the world.

EXPORT OF INDIAN SCOOTERS

The number of Indian scooters exported during the first eight months of 1974-75 (April-November 1974) was 2218 compared to 841 and 454 in the years 1973-74 and 1972-73 respectively.

The major buyers of Indian scooters included Singapore, Sri Lanka, Thailand, Indonesia, Nigeria, West Germany, Hong Kong and Afghanistan. Some enquiries had also been received from UK and USA.

Estimated foreign exchange earning through export of scooters in 1974-75 would be Rs. 9 million as against the actual export earnings of Rs. 2.17 million and Rs. 0.96 million in 1973-74 and 1972-73 respectively. M/s. Scooters India Limited and other manufacturers

of scooters have plans to export scooters in a massive way during the Fifth Five Year Plan period.

RISE IN EXPORT OF PROCESSED FOODS

India's export of processed foods almost touched Rs. 400 million mark during 1974-75 registering an increase of over 29 per cent over the level of Rs. 305 million in 1973-74.

Guar gum export has recorded the highest rise ; over 100 per cent increase in unit value and 75 per cent in volume. Significant increase has also been recorded in exports of fresh and frozen meat accounting for nearly Rs. 30 million which are sent mainly to the oil-rich gulf countries.

Of particular satisfaction is the recovery in the export of dehydrated onion and garlic which, after a period of lull, has picked up and earned foreign exchange worth Rs. 8.5 million. Other items contributing to the increase include biscuits and confectionery, starch and its derivatives, pickles and chutneys.

In some items there is a decline in export earnings. Under this category would fall mango juice, non-alcoholic beverage base, instant coffee, walnuts and cocoa products. Part of the lost market for mango juice would appear to have been made good by better performance in respect of pulps and fruit slices and other juice. While part of the increase in export earning may be attributable to higher unit value realisation, there has been a quantitative increase in a number of major items of export. This should be reassuring when viewed in the context that this increase has been achieved, despite a number of constraints including inadequacy of Air Cargo space, high can prices and a host of other factors.

The export target for 1975-76 has been fixed at Rs. 510 million envisaging a growth rate of 25 per cent which

would call for intensified efforts to maintain and improve upon the last year's performance.

EXPORT POSITION OF MARINE PRODUCTS

India's export trade in marine products during 1974-75 has been provisionally placed at Rs. 671 million (44054 tonnes) as compared to Rs. 895 million (52279 tonnes) in 1973-74 and Rs. 597.20 million (38993 tonnes) in 1972-73. The decline in exports during 1974-75 was due to a fall in demand and prices of the major importing countries—U.S.A. and Japan—as a result of recession and inflation. There was also a fall in production on account of lower catches of shrimps which is the main exportable variety. With a view to boosting the export trade during 1975-76 the Government of India have provided substantial investible funds at the disposal of the Marine Products Export Development Authority for the execution of various projects for the development of exports of marine products.

The marine products industry is a typically growth oriented sector earning valuable foreign exchange to the country. The export from this industry rose from Rs. 334.60 million in 1969-70 to the annual levels mentioned above. Japan and U.S.A. West European countries like France, Belgium, Italy, U.K., Federal Republic of Germany, Netherlands, Denmark and Australia have been the major importing countries for the Indian exports of sea foods in fresh, frozen and chilled forms. Sri Lanka has been the major market for dried fish; sharkfins and fish maws are exported mainly to Singapore. The export of a new item that has entered the international markets, namely, fish meal, showed a rising trend during 1973-74 but in view of the reasons aforementioned, the level reached in that year could not be maintained during 1974-75.

The total fish landings in India during 1973 was over 2 million tonnes of which marine fish landings were of the order of 1.23 million tonnes.

ON CASHEW EXPORTS

Indian exports of cashew kernels during the first eleven months of 1974-75 (April '74-February '75) are estimated to have fetched Rs. 1104.45 million (60,350 tonnes). In 1973-74, the exports were of the order of Rs. 738 million (51,900 tonnes) and in 1972-73 they were of the order of Rs. 688 million (66280 tonnes). Thus there has been a consistent rise in the foreign exchange earning of this commodity.

The rise in exports during 1974-75 was not only due to improved unit value but also increased offtake in terms of quantum.

During 1973-74 about 38 per cent of Indian cashew was exported to the Soviet market while nearly 35.5 per cent was supplied to the U.S.A. In terms of value, these markets absorbed Indian cashew worth Rs. 294 million (19757 tonnes) and Rs. 256 million (18407 tonnes) respectively. The Japanese market absorbed 6.3 per cent, Canada 5.7 per cent, U.K. 2.4 per cent and Australia over 2 per cent.

India occupies an important place in the world exports of cashew. In 1972 the world exports of cashew kernels totalled 101910 tonnes of which the share of India was 64,540 tonnes; Mozambique exported 27,180 tonnes in the same year.

The main cashew growing countries in the world are India, Mozambique, Tanzania, Kenya and Brazil. In 1973, the global production of cashew amounted to 381,000 tonnes of which the Indian share was 61,000 tonnes. Mozambique produced 1,70,000 tonnes, Tanzania 107,000 tonnes, Brazil 25,000 tonnes and Kenya 13,000 tonnes.

India has been depending mainly on imported raw nuts for its cashew kernel trade. In 1973-74, Indian imports of raw nuts amounted to 157554 tonnes of which 37,495 tonnes came from Mozambique, 18,000 tonnes

each from Tanzania and Kenya. With the development of the cashew industry in these countries, the need to step up indigenous production in India has become obvious. The area under cashew cultivation has been increased year after year; at the beginning of the first five year plan period the area was 103585 hectares with a production of about 59,000 tonnes. During the fourth plan period there was extensive expansion of the area which increased to 364040 hectares. The production by the end of the Fourth Five Year Plan also increased to 140,000 tonnes. In the Fifth Five Year Plan a multi-dimensional scheme for the promotion of domestic production is being adopted including measures for plant protection, laying of demonstration plots, establishment of progeny orchards and adoption of package programmes. It is expected that fresh planting to the extent of 100,000 hectares would be attempted during the Fifth Five Year Plan period.

REMOVAL OF NON-TARIFF BARRIERS IN INTERNATIONAL TRADE

The 76 nation Inter-Customs Cooperation Council, set up in 1950 is holding its annual session in Buenos Aires, Argentina during May 20-25, this year. It is for the first time that the annual session is being held in a developing country and it is also for the first time that the chairmanship of the Council has gone to a country (viz India) outside the European Continent.

The main topic which will come up for discussion at the Council's annual meeting is to devise further measures to remove non-tariff barriers in international trade. Another important subject which is coming up for discussion and which is of significance in India's current drive against smuggling, is collection of information about smugglers, trends of international smuggling and analysis of methods which are employed for illicit traffic of goods across national frontiers.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

PROPOSAL TO FORM WORLD PAPER BANK

The proposal to establish a World Paper Bank, initiated by India's Minister for Information and Broadcasting, at the last UNESCO session, to alleviate the shortage of newsprint and other cultural papers in developing countries, has taken concrete shape.

At an inter-agency meeting of the concerned UN organisations—UNESCO, UNCTAD and FAO—in Rome recently, far reaching decisions were taken to meet both the short-term and long-term requirements of the developing countries. The meeting, which was sponsored by UNESCO to take up the follow-up action on India's resolution, decided to establish a strategic reserve of newsprint and other paper to meet the shortages which the developing countries are expecting to encounter again from 1976.

The meeting also decided that the UN organisations should vigorously assist the developing countries in the establishment of their own pulp and paper manufacturing plants for both domestic and export markets. To achieve this objective, FAO's proposed global pulp and paper industries development programme for developing countries will be given all support.

Because of the 4 to 6 years needed to plan, finance, design and construct a plant, this solution would not solve the shortage of paper products expected during 1976-77. Consequently, the meeting agreed that the logical first step to alleviate this situation was to use the present over-capacity forecast to last until towards the end of 1976 to create strategic reserves to help the developing countries to reduce their predicted shortage after 1976 and until new mills can be built and brought

into production in these countries. For this purpose, the meeting agreed that UNESCO, with the technical help and guidance of FAO and UNCTAD should carry out as soon as possible a study of the technical, economic, financial and social aspects of establishing strategic reserves of cultural papers.

The meeting recognised the importance of improving the operating efficiency and output of the existing pulp and paper mills in the developing countries. It noted the part that UNDP financed, improved and intensified trouble-shooting could play. The need for adequate working capital, particularly for imported spare parts and operating materials, was also emphasised.

All these measures are in accordance with the Indian resolution which was piloted by India at the eighteenth session of the UNESCO General Conference in Paris last year. The resolution also envisages the projections of world needs of paper and newsprint for the coming decade and research and development of additional paper resources on the basis of alternative raw material that will be available.

The initiative to involve the world body in coming to the rescue of the developing countries was taken by the Indian Minister of Information & Broadcasting last year when India along with many other developing countries was passing through a newsprint crisis. He first took up the matter with the Secretary General of UNESCO in February 1974 and again in August of that year. It was as a result of this effort that UNESCO finally adopted the resolution on establishing the World Paper Bank.

SPOTLIGHT ON PAPER INDUSTRY

Total production of the paper industry in India is estimated to have reached 825,000 tonnes during 1974, registering a 28,000 tonnes rise over the output in 1973. The production could have been substantially higher

but for the constraints such as shortage of coal, wagons for movement of coal, raw materials and other chemicals and power shortage. There are at present 68 paper mills in operation in India with an installed capacity of 992,000 tonnes per year.

There are quite a few proposals to improve the licenced capacity in the paper industry and it is estimated that the capacity will improve up to 2.246 million tonnes a year once the licences/letters of intent already granted during 1973-74 become operative.

The production of newsprint was estimated at 55,000 tonnes during 1974-75 as compared to 48,675 tonnes in 1973-74 and 40,770 tonnes in 1972-73. The National Newsprint Paper Mills Limited Napanagar has plans to raise its installed capacity from 30,000 tonnes to 75,000 tonnes and the expansion programme is nearing completion. With the expected completion of the expansion programme, the mill is to produce about seventy thousand tonnes of newsprint per year. A proposal for a further expansion of the capacity of the mill from 75,000 tonnes to 150,000 tonnes is also under consideration.

The Hindustan Paper Corporation is presently engaged in the setting up of certain schemes for improved production of newsprint. Notable among these are the schemes of the West Bengal Industrial Development Corporation for a newsprint plant with a capacity of 60,000 tonnes per year and that of the West Coast Paper Mills with 30,000 tonnes of newsprint per annum. Two mini newsprint projects have also been approved by the Government of India.

As for the rayon grade pulp, there are three units at present in India with a total installed capacity of 118,500 tonnes a year. One of the units is effecting substantial expansion of its capacity by 20,400 tonnes a year. The total production of rayon grade pulp by these three units during 1974 is estimated at 100,000 tonnes as compared to 77,500 tonnes during 1973. Apart from these units, 8 units were issued letters of intent

for the establishment of additional total capacity at 218400 tonnes for the manufacture of rayon grade pulp.

There is only one unit manufacturing paper grade pulp in India with an installed capacity of 22,500 tonnes a year. A project envisaging substantial expansion to raise its capacity to 40,000 tonnes is nearing completion.

PUBLIC SECTOR IN NONFERROUS METAL PRODUCTION

With the commissioning of the first potline of India's Public Sector aluminium smelter at Korba, the country's first Public Sector aluminium plant will start producing the aluminium metal.

Negotiations have been successfully concluded with Iran in regard to the establishment of the Alumina plant in Gujarat. An Iranian team is expected in this country by the end of this month to finalise the plans for the establishment of this unit.

In regard to the production of copper by the Hindustan Copper Limited at their Khetri Smelter, for the first time Khetri had added 2824 tonnes during the closing months of 1974-75. The monthly production at Khetri has already exceeded 1,000 tonnes and their target for the current year is to produce 8,000 tonnes of metal from the local ore and another 10,000 tonnes by smelting imported concentrates. During the financial year 1974-75, the older plant at Ghatsila produced about 13,000 tonnes of copper metal as in the previous year. The HCL also succeeded in developing the lead/copper deposits at Agnigundala in Andhra Pradesh. This project includes a concentrator having a capacity to treat 100 tonnes of ore per day. This unit has now started functioning for more than a month. During 1974-75, Hindustan Copper expects to make a profit of about Rs. 38 million,

M/s. Hindustan Zinc has done even better. It is utilising its full smelter capacity at Debari in Udaipur.

Its production of zinc increased from 10,000 tonnes in 1973-74 to 14,000 tonnes in 1974-75. There has been further improvement in production recently. The Geological Survey and the Mineral Exploration Corporation have jointly done good work in eastern coast and they have reported the existence of large reserves of bauxite. This opened a bright prospect for the area. If the bauxite reserves were exploited, the entire economic scene of eastern coast would change. Even export of aluminium can be resorted to in a sizeable way.

COAL PRODUCTION IN INDIA IMPROVES

The Singrauli coalfield, which is being developed by the Coal Mines Authority Ltd. in collaboration with the USSR, is expected to develop a production capacity of 45 million tonnes by 1990-91.

The reconstruction of coking coal mines in Jharia coalfield under the Bharat Coking Coal Ltd., in collaboration with Poland, would be taken up in three stages and a major portion of the work is expected to be completed by 1983-84.

Exploration work to identify some of the VI Plan projects with long gestation periods is being undertaken to ensure production of coal by the end of the Sixth Five Year Plan (1983-84) and set the pace for attaining a production level of 340 million tonnes by the end of the Seventh Five Year Plan (1990-1991).

These are among the many long term measures outlined in the annual report (1974-75) of the Department of Coal.

Special steps were taken to improve the transportation of coal from the coalfields with a view to coping up with the increase in production. Apart from rail transport, about 0.7 million tonnes of coal is moved at present by coastal ships from Calcutta to the southern and western States. Coastal movement of 6.5 million tonnes of coal per annum has been contemplated by the

end of the Fifth Five Year Plan. Coal production in 1974-75 exceeded 1973-74 figure by about 10 million tonnes.

With higher production and improved rail transport availability, supplies to different consumers, including steel plants, railways, power houses, increased considerably during 1974-75. Coal Mines Authority and Bharat Coking Coal Ltd. had despatched 5.98 million tonnes additionally to the consumers during the first nine months of 1974-75, as compared to the corresponding period in 1973-74.

In the field of utilisation of coal, a Rs. 70 million low temperature carbonisation plant is being located at Ramkrishnapur in Andhra Pradesh, which would produce LTC coke and this would reduce the demand of firewood and kerosene as domestic fuel. A Rs. 35 million formed coke plant at Talcher is also being set up to manufacture formed coke, that could supplement and particularly replace the conventional metallurgical coke.

While all efforts to increase coal production through planning, mechanisation and research are being taken, the welfare of the workers has also been given top priority after nationalisation of coal mines. The signing of the Coal Wage Agreement on December 11, 1974 in respect of wage scales, wage structure and other conditions of service of coal mine workers, heralded a new chapter on labour relations. The agreement which would cost the coal companies approximately Rs. 1200 million annually and which came into effect from January 1, 1975, had fixed minimum wage of unskilled worker and asked the coal companies to provide a sum of Rs. 50 million per annum for building houses to the coal mine workers.

The Management of coal companies have also given the highest priority to the observance of high safety standards in coal mines. Apart from intensification of safety measures and provision of footwear, caplamps and helmets to the workers, it has been decided to set up an internal organisation for the coal companies for the inspection of mines. This organisation would supplement the efforts of the Directorate General of Mines Safety.

The production of lignite is proposed to be stepped up from 3.3 million tonnes in 1973-74 to 4.5 million tonnes in 1978-79 and then to 6.5 million tonnes in 1980-81.

A PERSPECTIVE ON INDIAN ECONOMY

Maximum mobilisation of domestic savings and their judicious deployment in selected priority areas would be the only way in which the less developed countries should tackle the challenge of poverty. The present rate of savings in the Indian economy which is 10 to 11 per cent of the national income was admittedly too low and the bulk of domestic savings was in the household sector, stated India's Prime Minister, inaugurating the annual conference of the All India Manufacturers' Organisation recently. Considerable portion of domestic savings in India is being invested in luxury housing, gold and other ostentatious consumer articles as also in inventories. "This tendency must be reversed and savings used for increased productive investment in the household sector itself; as far as possible in agriculture, animal husbandry, poultry and small industry, or in the form of financial assets which will make possible larger public and corporate investment" stated the Prime Minister.

Domestic savings must be invested in priority areas in order to improve the basic strength of the economy, its growth and export potential and to help the productions of goods and services which are most needed by the majority of the people. In the last two years, stated the Prime Minister, the Indian Government had done a good deal to lay down priorities. No country can however behave as though its resources were limitless. "Our accent should be on efficiency in the use of resources—financial, material and human." Among other things, reduction of costs would call for curbing of conspicuous consumption. "Cost reduction is particularly important for our export effort". The increase in the price of crude oil alone had cast an additional burden, on the economy, of one billion dollars a year. No doubt, this was managed through improved export earnings and short term

borrowings. But these were not permanent solutions, the Prime Minister added.

In international forums, along with other developing countries, India has been pressing for better access for its goods, higher unit value for its commodities and greater liquidity through the linking of development assistance with Special Drawing Rights (SDRS). "Although the validity of our arguments is not disputed, action is very slow. We have to augment our exports by 10 to 12 per cent a year in real terms."

While referring to foreign exchange as a major constraint on India's development, Mrs. Indira Gandhi stated that there was great scope for industrial investment in priority areas as joint ventures with oil-surplus countries. Already there has been agreement on one or two such ventures and this would only be an indication of what could be done in a country like India with its natural resources, technical know how, manpower and vast market. The flow of resources from oil rich countries to oil consuming countries like India has been exceedingly small compared either to the total volume of the surpluses or to the extent of damage done to the economies of oil importing countries. Money has been flowing largely to the developed affluent countries. It is to be hoped that potentialities of mutual cooperation between developing countries would be utilised more effectively. Unfortunately, developing countries have come to be blamed for making cooperative efforts while there have been all kinds of combinations and cartels used against them for centuries.

The diversification of the Indian economy over the years has indeed added to its basic inner strength. 'But the real achievement is that we have kept the country together inspite of innumerable sectional pressures and centrifugal pulls. We have been able to resist foreign threats, and brandishments and maintain and enlarge our independence of decision and action'. Unfortunately a new campaign is being made against India, especially after the recent spectacular demonstrations of the capacity of Indian scientist, that the country is hankering after grandeur or dominance. The Prime Minister expressed that India had no such designs to interfere with its neighbours or any other country.

But the country would equally resist attempts to influence its policies. 'We plan for strength and progress only to be able to safeguard our independence and to solve our own problems more speedily and surely.'

INDIA'S FIRST 400 KV CURRENT TRANSFORMER

The first 400 KV Current Transformer, designed in India has been manufactured by the Bharat Heavy Electricals Limited, Bhopal. This event is a landmark in the country's bid to switch over from the existing 220 KV power transmission system to 400 KV system. The country needs the 400 KV transmission system for the creation of national inter-State power grids which have become imperative due to the rapid increase in the demand for power.

The short-time current test was successfully carried out at the Switchgear Testing and Development Station to prove that this transformer can withstand the thermal and dynamic shocks, during faults in power systems.

BHEL have utilised expertise gained over the years in producing a product which will not only meet the growing needs of the country but will also save considerable foreign exchange.

There is already a substantial demand for 400 KV Current Transformers in the country. The Uttar Pradesh State Electricity Board requires 400 KV Current Transformers for their Obra-Sultanpur-Lucknow 400 KV Transmission line. Other States like Maharashtra, Punjab, Madhya Pradesh, etc., will also go in for this class of transmission voltage shortly.

FACTS ON STEEL STRUCTURALS FABRICATION INDUSTRY

Covering a wide range of items like steel structurals for buildings and factories, power houses, bridges and

railways, hydraulic structurals like gates and penstocks, large fabricated pipes, tubular structurals and structures for ropeways and conveyors, the steel structural fabrication industry in India has registered notable progress over the years and has also entered the export markets successfully. There are about 140 large and medium fabrication shops in the country with an annual capacity of half a million tonnes in the fabrication of these items. Actual production was of the order of 144,000 tonnes in 1973. The industry is self-sufficient in the field of technology and the quality of its products compares well with that of other producing countries.

The demand for steel structural fabrication by the end of the fifth five year plan has been estimated at 470,000 tonnes per year. The existing capacity would therefore be sufficient to cater to the entire requirement of the economy by the end of the plan period.

Transmission line towers constitute an important segment of the steel structural fabrication industry. In this line too India is not only self-sufficient but is capable of exporting substantial quantity. Transmission line towers of any voltage and sophistication can be fabricated in the country. The existing capacity in the line is to the tune of 180,000 tonnes per annum approximately and the production was of the order of 75,000 tonnes during 1973.

Cranes, other than mobile crawler/truck mounted constitute another area of progress in this industry. There are 30 units in the organised sector with a total installed capacity of 45,670 tonnes for the manufacture of cranes of not only light and medium duty but heavy and sophisticated duties. The production currently is about 13,000 tonnes per year and the indigenous cranes builders are now producing such sophisticated varieties as steel mill cranes, ladle cranes, soaking pit cranes, and also heavy duty wharf cranes including shipbuilding cranes of high duty and capacity. Over the years, the import content has gradually gone down to a low level. For more sophisticated cranes, however, import of components which are of bought out nature has still to be resorted to. The demand for cranes in the Fifth Five year plan has been assessed at about 30,000 tonnes capacity per year and the existing capacity is stated to be capable of fully meeting the country's demand. This

industry too has entered the export field in a substantial manner.

The licensed and approved capacity for the manufacture of lifts is in the neighbourhood of 1400 numbers per year while the output during 1974 was 560 numbers. The existing capacity is considered to be adequate to meet the country's requirements. Considerable qualitative improvement has taken place in the industry which is now manufacturing and supplying high speed lifts.

Conveyors and elevators of different types are also being manufactured in the country by 23 firms both in the private and public sectors. The installed capacity is worth Rs. 224 million and the estimated production during 1974 was of the order of Rs. 230 million. The existing capacity in this field also is considered to be adequate in India.

The fabricated steel structural industry in the country has fetched foreign exchange worth Rs. 113 million during 1973-74, mainly through export of transmission line powers (Rs. 24.40 million), boilers including pressure vessels (Rs. 28.50 million), cranes and lifts (Rs. 8 million and other steel structures (Rs. 52 million).

The major markets to which transmission line towers and poles were exported by India during the year were Libya, Iran, Thailand, Kuwait, Kenya and Nigeria in that order.

COMPUTERS IN INDIA

Computers are among the most versatile of modern machines and have a far reaching role to play in all sectors of national economy as well the security of the country. Apart from space research and atomic energy which would not have come into existence but for the assistance available from computers, there are a number of potential users such as Universities, steel projects, giant power projects, oil prospecting, railways, agricultural research, banking, insurance and airlines.

There are at present, 260 computers installed in the country. Computer facilities require larger investments with a significant proportion in foreign exchange. It is, therefore, essential to ensure optimum utilisation of

these facilities. Broadly the emphasis on using computers is to speed up data processing work where the data are too large for manual processing, to reduce time lags in receipt of processed data, to improve management control systems, industrial process control applications and for development of software exports. It is also the policy of the Government of India to encourage installation of large common use facilities in various regions of the country such as Delhi, Bombay, Calcutta, Madras, Poona and Bangalore.

A National Computer Centre is proposed to be set up at Jawaharlal Nehru University New Delhi for data bank management and for development of methods to handle and make optional use of large amounts of information particularly in the context of planning. The centre is expected to come up by the end of 1976. A Regional Computer Centre located at Jadavpur University to cater to the needs of the Eastern Region is likely to be ready by March 1976. The National Centre for Software Development and Computing Techniques has been established at the Tata Institute of Fundamental Research Bombay with the primary objective of developing software and computing techniques to support the growth of a major self reliant indigenous computer and semi-conductor industry.

Most of the equipment for these large computers has been or is being obtained from abroad. However the Government of India has, from the very beginning placed considerable emphasis on development of an indigenous computer industry. For this purpose a large development programme has been drawn up and entrusted to Electronics Corporation of India Ltd. (ECIL) for implementation. The Corporation has already started marketing the DC-312 computer which is a faster version of the earlier model TDCT-2 machine and also a 16 bit computer TDC-16 both using IC technology. A new model TDC-316 has also been developed to replace the slower machine TDC-16. Both these models TDC-312 and TDC-316 would be able to fully replace the IBM -1400. series. 108 computers presently installed on a rental basis and fast becoming outdated. ECIL is also developing the DC -32 model with a larger memory. This model is expected to cover the medium range of computer systems required by the country.

For small users, it has been decided to develop a mini-computer industry. A number of industrial licences are proposed to be issued during 1975-76 in such a way as to ensure that production is economically viable, that foreign exchange outgo is minimised and the product can be absorbed within the country's economy. A number of groups in the private as well as public sector have developed mini computers indigenously.

Computers also require peripherals such as paper, tape-readers, paper tape punches, mosaic printers, console type-writers, magnetic tape drives, alphanumeric displays etc. A number of public sector undertakings like Hindustan Teleprinters, Madras, Bharat Electronics Bangalore have manufactured various prototypes of peripherals which are now being tested. During 1975-76. plans for the indigenous production of computer peripherals will get fully under way.

Software industry for computers is an important sector and has considerable potential for being developed as an export industry. Tata Consultancy Services, Bombay, are already active in exports of software to Middle East, to Australia and to U.S.A. Other agencies like Operations Research Group Baroda, Engineers India Ltd. Delhi, ECIL Hyderabad, Tata Institute of Fundamental Research Bombay, Computeronics (India) Delhi and a number of others in the small sector are now engaged in this field and a good market for Indian computer software is expected to be developed in East European and EEC countries.

Computer systems being highly sophisticated and expensive need efficient back up service in terms of repairs and maintenance. This back up support constitutes a substantial part of the overall recurring costs in the use of computer systems. As medium and large computers systems are to be imported for the next ten years or so from various sources, they would require a large number of maintenance units. It would be inconvenient to have so many units operating in India to provide maintenance. As such it is proposed to set up single independent unit, the Computer Maintenance Corporation, to look after the maintenance and servicing of all non-indigenous computers in the country. The Corporation is expected to be set up in 1975-76. □

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IRAN—THE BEST MARKET FOR INDIA'S ENGINEERING GOODS

Iran has been the leading importer of engineering products from India. These were exported to the market to the tune of Rs. 143.6 million in 1973-74. The share of engineering goods in India's total exports to Iran was about 35 per cent. Next to Iran, Malaysia absorbed Rs. 113.40 million while U. S.A. imported Indian engineering goods at Rs. 103 million, Bangladesh Rs. 120 million, U. K. Rs. 92 million, U. S. S. R. Rs. 81 million, Singapore Rs. 74 million, German Federal Republic Rs. 70 million, Saudi Arabia Rs. 67.3 million and Iraq Rs. 67.4 million. There are 30 other countries which bought the engineering goods from India in 1973-74. These countries include United Arab Emirates, Nigeria, Poland, Kenya, Sri Lanka, Nepal, Kuwait, Hongkong, Japan, Yugoslavia, Indonesia, Thailand and so on.

To Iran, the best market for India's engineering goods, the major products supplied were electric wires and cables (Rs. 31.24 million), railway wagons and

components (Rs. 19.43 million), bicycles and parts (Rs. 18.2 million), diesel engines and parts (Rs. 12 million), asbestos cement plant and machinery (Rs. 9.8 million), iron and steel castings (Rs. 8.9 million), soldering wires (Rs. 7.3 million), brass, bronze and copper sheets, and circles (Rs. 7.2 million) and so on.

Boilers and fittings, sugar mill machinery, electric controlgear, fabricated steel structurals and bicycles were the prominent product groups that India supplied to Malaysia during 1973-74. The third best market for the engineering goods in the year, U. S. A., bought mainly steel structurals including transmission towers, handtools and small tools, EPNS ware, wire ropes and other wire products, M. S. pipes and tubes, iron and steel casting and bicycles and parts.

OVERSEAS SUPPLY OF DIESEL ENGINES

The value of diesel engines pumps, and parts, earned by the Indian industry through its export trade,

improved from Rs. 48 million in 1972-73 to Rs. 50.24 million in 1973-74.

Of this, diesel engines secured Rs. 31.7 million in 1973-74 while diesel engine parts Rs. 16.55 million and diesel pump sets Rs. 7 million.

Saudi Arabia was the most important market for diesel engines(full) from India. This market increased its offtake from Rs. 3 million during 1972-73 to Rs. 6.6 million in 1973-74. The next best buyer, Iran, also increased its purchase value substantially from Rs. 2 million to Rs. 5.6 million in these two years. Indonesia and Philippines bought diesel engines worth Rs. 2.1 million in 1973-74. Syria, Negeria, Natherlands, U. S. A., Zambia Singapore , Thailand, Iraq and United Arab Emirates were among the other important customers for the engines.

Diesel engine parts secured Rs. 1.65 million in 1973-74 as against Rs. 1.2 million in the preceding year. Here again Saudi Arabia and Iran were the most important buyers at Rs. 3.47 million and Rs. 2.45 million respectively in 1973-74. Among other buyers of this item were Sudan, Thailand, Iraq, Syria, U. A. E., Nigeria, Federal Republic of Germany and U. K.

Diesel pump sets which secured Rs. 7 million in 1973-74 were mainly supplied to Iran, Libya, Saudi Arabia, United Arab Emirates, Nigeria, Iraq and Oman.

WIRE ROPES TO WORLD MARKETS

From Rs. 16.5 million to Rs. 26.6 million, was the improvement achieved by the wire rope industry in India in its export trade in 1972-73 and 1973-74.

The Soviet Union emerged as the top buyer of wire ropes from India in 1973-74 at about Rs 7 million as

compared to Rs 3.5 million in 1972-73. In the earlier year Yugoslavia purchased these ropes at Rs. 5 million but in 1973-74 its offtake was only Rs. 1 million.

U. S. A., however, increased its offtake substantially from Rs. 0.36 million in 1972-73 to Rs. 6.86 million in 1973-74.

Singapore, Hongkong, Bangaldesh, Kuwait and Canada were among the other principal buyers during 1973-74.

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Galvanised barbed wires were exported by India to the tune of Rs. 4.5 million and galvanised wires and wire rods at Rs. 2.8 million in 1973-74. Hongkong followed by United Arab Emirates, Thailand, Saudi Arabia, U. K., Iraq, Kuwait, Philippines and Nigeria were the other markets for wire nails, needles and pins. Kuwait, Saudi Arabia and United Arab Emirates as also U. S. A. were the principal purchasers of galvanised barbed wire. United Arab Emirates was the most important market for wire netting. Galvanised wires and wire rods were supplied to Australia, Arab Republic of Egypt and Thailand.

INDIAN REFRIGERATORS POPULAR ABROAD

Refrigerators and parts made in India earned foreign exchange worth Rs. 9 million during 1973-74 as compared to Rs. 2.27 million in 1972-73.

Poland was the leading buyer having bought worth Rs. 1 million in 1972-73 and Rs. 6.9 million in 1973-74. Next in importance was the market of Kuwait whose imports amounted to Rs. 0.68 million in 1972-73 and Rs. 1.16 million in the subsequent year.

Thailand, United Arab Emirates, South Yemen and Mauritius were the other buyers of Indian refrigerators and parts.

The export value of air conditioning and refrigeration plants was nearly Rs. 3.5 million in 1973-74. Arab Republic of Egypt, Singapore, Malaysia, Thailand, U.S.A., Bangladesh, Hongkong, Oman and Sri Lanka were the major exporters.

Air conditioners and parts also contribute their share to the foreign exchange earning of the Indian economy. During 1973-74 their earning was nearly of the order of Rs 0.8 million, Poland and United Arab Emirates being the leading buyers.

Kuwait was the leading importer of water coolers and parts during 1973-74 at Rs. 1.58 million. The other importers for the product were Libya, Qatar, Nigeria, U. A. E, and the total foreign exchange earning was Rs. 2.28 million in 1973-74 and Rs. 1.49 million in 1972-73.

The group of airconditioners and refrigerators netted Rs. 15.9 million during 1973-74 as compared to Rs. 9.5 million in 1972-73.

Indian production of domestic refrigerators in 1974 was 102,000 numbers while the installed capacity in the line is about 1,76,000 numbers. Against an available capacity of 42,800 numbers the production of room air conditioners was 30,500 in the same year. The production value of industrial air conditioning and refrigeration equipment was Rs. 13.6 million, while that of industrial cooling towers was Rs. 22.5 million (1974)

OFFICE MACHINES IN EXPORT TRADE

India's export trade in office machines had more than doubled during 1973-74 at Rs. 42.3 million as compared to Rs. 18.86 million in 1972-73. Data processing machine, typewriters, hand-punchers, verifiers, sorters, duplicators are among the office machines that the Indian industry has been successfully exporting to the world markets in recent years.

The export value of data processing machines improved from Rs 14.8 million in 1972-73 to Rs. 37.9 million in the subsequent year. There was an enormous jump in the offtake by Japan to the tune of Rs 26.4 million in 1973-74 as against Rs. 2.76 million in the preceding year. The next best market for the these machines was Australia (Rs. 6.3 million in 1973-74). New Zealand (Rs. 1.6 million) and France, Philippines, German Federal Republic, Singapore, Indonesia and Hongkong were among the other buyers. It is note-

worthy that the industrially advanced countries have come to realise the competitive nature of the data processing machines made in India.

The British market accounted for the bulk of Indian exports in hand punchers, verifiers and sorters during 1973-74 (Rs. 2.2 million). The offtake by U. K. in this line witnessed a three fold improvement in terms of value when compared to the preceding year. Burma, Kenya and Arab Republic of Egypt have been the other leading markets in these years.

Thailand and Sri Lanka were the significant buyers of duplicators supplied by India.

Typewriters and parts constitute another important sector of office machines that the Indian industry has established itself from the export point of view. The foreign exchange earned from this group of office machines was of the order of nearly Rs. 1 million in 1972-73 and about Rs. 0.7 million in 1973-74. While Bangladesh and Malaysia were the leading buyers in 1972-73, Bangladesh and South Korea were the important customers in the subsequent year. But the decline in export value in 1973-74 was due to negligible offtake by Malaysia in 1973-74 while her purchases were worth Rs. 0.55 million in 1972-73.

For the other office machines exported by India, Hungary has been an important market, followed by Netherlands, Singapore, Italy and Japan.

The production of typewriters in India was of the order of 47,000 numbers in 1974. The country has an installed capacity of 86,400 typewriters every year.

LIMITED EXPORT OF LONG STAPLE COTTON

The Government of India have decided to permit some limited export of long staple cotton through the

Cotton Corporation of India. Export of cotton from India is mainly confined to Bengal Deshi and other varieties that are not used for spinning purposes abroad. Bengal Deshi cotton is used for spinning up to ten counts but this cotton is normally utilised abroad for matting and padding, and not so much for spinning. The export policy for Bengal Deshi and other cotton varieties for the cotton year 1974-75 (September-August) was announced in August, 1974. While there is a ceiling for the export of Bengal Deshi cotton, overseas supplies of other cotton fibres like Assam-Comillas, Zodas and Yellow Pickings are permitted for export without any ceiling.

While indigenous production of cotton in 1973-74 was of the order of 5.82 million bales of 180 kg each, it was estimated at 6.2 million bales in 1974-75.

Export of staple cotton was not allowed earlier owing to the fact that India itself has been facing shortage of this variety. In fact, to meet the gap between the demand and supply, India has been arranging import of this variety of cotton from the Arab Republic of Egypt and Sudan. The import bill on this account ranged from 300,000 to 600,000 bales, on an average. During 1973-74, the cotton imports came down substantially because of imposition of ad valorem duty of 40 per cent.

To do away with the continued dependence on imports for the domestic requirement of long and extra long staple cotton, the Government of India have undertaken various research and cotton development programmes for cultivation of long staple cotton which gained momentum in the last few years and resulted in a significant increase in the production of these varieties of cotton. The production of long staple cotton is estimated to have gone up to 1.8 million bales during current cotton year as against 360,000 bales in 1971. Also the domestic requirement of long staple cotton has gone down in the context of higher production for production of controlled cloth. These developments have enabled the Government of India to permit limited export of long staple cotton.

WEST GERMAN COLLABORATION IN FINISHED LEATHER INDUSTRY

The Government of India have recently approved two proposals of collaboration between the leather manufacturers of India and the Federal Republic of Germany. Another proposal of collaboration with a British firm is under consideration.

The question of collaboration arrangements and market tie-ups between India and the European Economic Community countries in respect of finished leather and footwear was taken up under the auspices of the Indo-EEC Joint Commission. India is planning massive structural development in the leather industry by creation of common facility centres, shoe upper facility centres, sole plants, testing laboratories and so on. It was felt that EEC could assist India in two areas viz designs and shoe lasts. The manufacturers of sophisticated machines for production of finished leather and leather goods are mostly in the EEC countries and that is why Indo-EEC joint ventures in the field are expected to be mutually helpful.

India's export trade of leather and leather manufactures totalled Rs. 1784.30 million in 1973-74. Of this the share of E. I. tanned was of the order of Rs. 860 million, chrome tanned Rs. 624 million, finished leather Rs. 136 million, leather footwear and components Rs. 113 million and leather goods and manufactures Rs. 60 million worth. Between April-January (1974-75) the export trade of leather and leather manufactures totalled Rs. 1290 million. In this period the overseas supply of finished leather, leather goods and footwear were more than doubled as compared to the same period in the previous year.

CULTIVATION PROGRAMMES FOR COFFEE EXPORT

Of the total estimated area of 139,480 hectares for the coffee cultivation in India, about 84360 hectares

are under Arabica and 55130 hectares under Robusta. Out of this, 61 per cent of the area is in Karnataka State, 16 per cent in Tamil Nadu, 22 per cent in Kerala and the balance in other non-traditional coffee growing states, namely, Orissa, Andhra Pradesh and Assam.

On the basis of the programmes laid down by the Governments of the non-traditional coffee growing states, Coffee Board has drawn up a tentative project for the extension of coffee cultivation in these states. The project envisages bringing in, under coffee, an additional area of 2800 hectares in Andhra Pradesh, 1800 hectares in Orissa and 2400 hectares in Assam.

This project is considered to be an important step forward in the fulfilment of the country's production target of 114,000 tonnes by 1978-79.

In 1973-74, the total production of coffee in India was of the order of 91,000 tonnes of which 52,060 tonnes were exported to fetch a foreign exchange worth Rs. 456 million.

During the first eleven months of 1974-75, the domestic production totalled 85945 tonnes of which 48675 tonnes were exported to secure Rs. 513.40 million. It is estimated that in 1975-76, the production would reach the level of 95,000 tonnes and 57,000 tonnes of this would be targetted to export for realising foreign exchange worth Rs. 550 million.

India is a signatory to the International Coffee Agreement and a member of the International Coffee Organisation. The International Coffee Agreement aims at achieving a balancing of supply and demand of coffee and stabilising its price in the world market. The Agreement (concluded in 1962) was initially valid for a period of five years and a fresh Agreement was entered into in October 1968 for another period of five years up to September 1973. The Agreement was further extended for another two years. The International Coffee Council resolved that while extending the Agreement, the regulatory mechanisms and economic

provisions (quotas) provided for in the original Agreement be deleted.

The International Coffee Council met in September last and adopted two important resolutions concerning the third International Coffee Agreement. The first resolution was to extend the current International Coffee Agreement which operates with economic clauses by one more year (upto September 1976). The second resolution extends the time limit for negotiations for a fresh agreement with economic clauses, if agreed to. Another important outcome of the meeting of the international Coffee Council was the decision to have a 20 per cent retention scheme by which Coffee producers could plan to push up the export prices.

INDO-SOVIET TRADE TALKS

A Soviet trade delegation, led by U.S.S.R.'s Deputy Minister of Foreign Trade, is having intensive discussions with the Indian authorities for finalising a long-term Trade and Payments Agreement between the two countries.

The current long-term trade plan for 1971-75 is to expire in December 1975 and a new long-term plan for the next quinquennium, 1976-80, has to be negotiated in the course of this year. It may be mentioned that the new plan will coincide with the next five year economic plan of Soviet Union.

Discussions on this subject were already initiated in October last year when a delegation from India visited Moscow. There was further progress in this direction when another delegation from India held talks with the Soviet authorities in March this year. In the latest meeting in Delhi, the two delegations were to have detailed discussions on long-term projections for various items in the trade plan.

It is expected that after one or two more rounds of discussions, the long-term trade plan between the two countries will be finalised by September this year.

It may be recalled that Mr. M.S. Patolichev, Soviet Minister of Foreign Trade had earlier invited Prof. D.P. Chattopadhyaya, India's Commerce Minister, to visit Moscow this year for signing the trade and payments agreement.

India's trade with the USSR has increased significantly during the last five years. The total trade turn-over between the two countries increased from Rs. 3000 million in 1971 to Rs. 6180 million in 1974. The trade protocol for 1975 envisages a turn-over of around Rs. 7500 million. It may be recalled that in November 1973, when Mr. L.I. Brezhnev visited India, the leaders of the two countries had envisaged a target of doubling the trade turn-over between the two countries in real terms by 1980,

USSR is the largest trading partner of India in the Eastern Europe. India's trade with East European countries is regulated by Long-Term and Payments Agreements which provide for the settlement of all commercial and non-commercial transactions between India and these countries in non-convertible Indian rupees. This is a balanced form of trading and imports and exports are to balance each other over a period of time. Funds are generated to the credit of these countries through their exports to India and those funds can be liquidated only through purchases from India. This prevents any outflow of foreign exchange and has thus relieved to that extent our scarce free foreign exchange resources. The interacting process of exports paying for our imports under the bilateral system has provided us with our essential requirements, with an opportunity for expanding and diversifying our exports to those countries.

India's exports to USSR include engineering goods, like garage equipment, storage batteries, automobile ancillaries, power cables, computer, software, finished textile products, medicines and pharmaceuticals, in addition to traditional commodities like de-oiled cakes, cashew kernels, tea, coffee, spices, tobacco jute manufactures and handicrafts. The main imports from USSR include fertilizers, petroleum products, non-ferrous metals, steel and steel products, newsprint, asbestos, components and spare parts for Soviet assisted projects in India, sunflower-seed oil, computers, electronic

equipment, capital goods and machinery items of various types.

TRADE TRENDS WITH HONGKONG

In a short span of six years, India's exports to Hongkong had more than trebled from Rs. 113.80 million in 1968-69 to Rs. 367.30 million in 1973-74. Traditionally, India has had a favourable balance of trade with this country. The volume of imports into India from Hongkong did not vary much over the years—Rs. 9.6 million in 1968-69 and Rs. 16.4 million in 1973-74.

Major items of exports from India to Hongkong have been pearls, precious and semi-precious stones, cotton fabrics, cotton yarn and thread; copper, cashew kernels, dyeing tanning and colouring materials, medicinal and pharmaceutical products, machinery, woven silk fabrics and iron and steel. Imports from Hongkong have mainly been precious and semi-precious stones, hides and skins, machinery and printed matter.

In 1973-74, the value of Indian exports of pearls, precious and semi-precious stones to Hongkong amounted to Rs. 213.4 million while that of cotton yarn and thread was Rs. 15.4 million, copper Rs. 19 million, cotton fabrics Rs. 36 million and cashew kernels nearly Rs. 10 million.

There is no trade agreement between India and Hongkong. Hongkong is one of the most prominent entrepot centres of trade in Asia and a big shopping centre with about one-fifth of its total exports accounted for by re-exports.

The growing industrialisation of Hongkong offers market for the Indian components and intermediates as well as semi-finished raw materials. India is in a position to supply engineering goods, drugs and pharmaceuticals, plastic materials, machinery and equipment to Hongkong. With considerable construction activity in this country and the neighbouring countries, India can also supply structurals, builders' hardware, sanitary fittings, decorative fittings, and kitchen apparatus.

During 1973-74, Indian exports of engineering goods to Hongkong totalled Rs. 39.8 million, according to the information available from the Engineering Export Promotion Council. The export value of brass and copper sheets as also circles amounted to Rs. 17.5 million. Electric wires and cables were supplied to the tune of nearly Rs. 5 million. Knitting machines and textile mill machinery were also exported to fetch Rs. 3.8 million. Exports of wire rods and other wire products secured Rs. 2.3 million and iron and steel castings Rs. 2 million. Among other products that India had exported to Hongkong in this year were steel pipes and tubes and fittings, oil lamps and stoves, electric motors and transformers, handtools and small tools, electric fluorescent tubes, bicycles and parts, auto parts, G.I. products, aluminium sheets and circles.

A study team of the Engineering Export Promotion Council which surveyed the Hongkong market for the potential for indigenous goods, identified the following items as having substantial export potential to that country : motorcars, buses and trucks and parts; steel pipes and tubes; bolts, nuts and screws; hand tools, machine tools, building materials, wire ropes, welding electrodes, soldering rods, textile and sewing machinery, air conditioners, refrigerators, electric motors, generators and transformers, umbrella parts and fittings, electric components and metal furniture.

Possibilities of expanding trade between India and Hongkong on mutually beneficial basis have been under constant review. The Indian Government plans to hold a wholly Indian exhibition in Hongkong in the near future.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

BIG LEAP PLANNED FOR FERTILISER PRODUCTION

The Ministry of Petroleum & Chemicals, Government of India, proposes that there should be a big leap in

fertiliser production during 1975-76 and that there could be atleast 33½ per cent increase in domestic production over the 1.2 million tonnes production during 1974-75.

In recent years, the development of fertiliser capacity and production have fallen below the targetted levels. Though the production of 1.16 million tonnes of Nitrogen during 1974-75 was higher than the production in 1973-74, it fell quite short of the production forecast at the beginning of the year, of 1.5 million tonnes of Nitrogen. The fertiliser capacity too increased only marginally from 1.94 million tonnes to 1.98 million tonnes during the year.

Production could have been better but for the slippages in the commissioning of new projects like Barauni, Namrup expansion, Tuticorin and Mangalore. Unforeseen mechanical problems encountered by Kota and Madras fertiliser plants and the continuing inability of Durgapur and Cochin plants to stabilise production also contributed to production shortfalls.

The contribution of the 215,000 tonne Kalol plant of Indian Farmers Fertiliser Coperative Ltd. which went into production in February this year, is expected to be appreciable during 1975-76. The Southern Petro-Chemical Industries Corporation plant at Tuticorin is also expected to go into production shortly and the Fertiliser Corporation of India plant at Barauni and Namrup are likely to be commissioned in the last quarter of 1975-76. The private sector plant at Mangalore is also expected to be completed by next month. With the commissioning of these plants, the installed capacity for the manufacture of Nitrogen would increase to 2.92 million tonnes.

The Fifth Plan envisages 6 million tonnes capacity for Nitrogen and 1.70 million tonnes capacity for Phosphate which could give a production of 4 million tonnes and 1.25 million tonnes respectively.

SKETCH OF LIGHT ELECTRICAL INDUSTRIES IN INDIA

Production in a number of light electrical industries in India has improved in 1974 as compared to the pre-

vious year. Many examples can be cited to establish this trend. The illustrative examples of the electrical industries in which domestic production improved are electrical motors, GLS lamps, fluorescent tubes and miniature lamps, drycells, storage batteries, electric fans, industrial air-conditioning, refrigeration equipment, room air-conditioners, industrial cooling towers, industrial fans and blowers, bare copper conductors and so on.

The production of electric motors, for instance, improved from about 3 million h.p. in 1973 to 3.2 million H.P. in the subsequent year. Installed capacity in this field is about 6.12 million H.P. spread over 35 manufacturing units. With capacity covered by additional industrial licences and letters of intent, total capacity would be 7.2 million H.P.

For GLS lamps, the installed capacity is over 166 million numbers a year and the actual production in 1974 was 140 million numbers. Against a capacity target of 200 million numbers by the end of 1978-79 envisaged in the Fifth Five Year Plan period a capacity of 276 million numbers is reported to have been already covered by industrial licences and letters of intent. Similarly, in respect of fluorescent tubes the targetted production envisaged by the end of 1978-79 was 18 million numbers but the capacity of 19.5 million numbers has been covered by industrial licences. Actual production during 1974 was about 15 million numbers. There are fourteen manufacturing units in this field of GLS lamps and 12 in respect of fluorescent tubes.

There are 11 units with an installed capacity of 1281 million numbers to manufacture dry batteries in India and their production during 1974 was 640 million numbers. The utilisation of capacity in this industry is about 50 per cent and there has been a shift in accordance with modern trends towards manufacture of dry cells with metal jackets. The production of storage batteries in 1974 was of the order of 1.32 million numbers as against 1.25 million numbers in 1973.

In the electric fans industry, there are 16 manufacturers with an installed capacity of nearly 3 million numbers a year and the production during 1974 was of the order of 2.44 million numbers. The Fifth Five Year

Plan placed the requirement of electric fans at 3.75 million numbers per annum for joint utility purposes. The capacity already covered by industrial licences and registration is 2.75 million numbers. Additional capacity of over million numbers has already been covered by issue of letters of intent.

In the manufacture of power driven pumps, 47 units are per registered for a total capacity of 700,000 numbers annum. The industry caters to the country's requirements of almost all types of pumps. During 1974, the total production of pumps was expected to be of the order of 350,000 numbers as compared to 346,00 numbers in the preceding year. However, most of the units in the line are engaged in the manufacture of general purpose pumps. India-manufactured pumps find their way to over 45 countries abroad every year.

Production of a variety of power cables in the country has not only helped to meet the home demand, but also earned growing foreign exchange from year to year. The output of various types of cables during 1974 and 1973 was : ACSR/AAC conductors 26000 tonnes and 58,150 tonnes ; enamelled winding wires 13000 tonnes and 15,165 tonnes ; paper covered winding wires 5000 tonnes and 5890 tonnes; PILC power cables 2400 kms and 2560 kms; PVC power cables 14000 kms and 19170 kms; PVC/VIR cables 530 million core metres and 611 core metres; dry core cables and co-axial cables 3500 kms and 8250 kms and bare copper conductors 1400 tonnes and 1350 tonnes.

It is estimated that India's annual requirements of power cables by 1978-79 would be of the order of 35,000 kms. The demand per annum, however, depends upon progress in power generation, transmission and distribution programmes. At present, the capacity covered by licences is about 27860 kms. Besides, active steps have been taken to create additional capacity of 5950 kms per annum. The total production during 1974 was 16400 kms against an installed capacity of 23,815 kms per annum. The bulk of the production consists of PVC power cables. Production of PILC power cables is mainly for exports.

In the field of PVC/VIR cables, the capacity achievement by 1978-79 is aimed at 1250 million core metres.

Against this, a capacity of 1281 million core metres has been already installed.

AGREEMENT FOR STANDBY CREDIT TO NEPAL SIGNED

Under an agreement signed recently, India has agreed to provide a standby credit of Rs. 100 million to Nepal for a period of six months, extendable for another six months.

Trade between India and Nepal is in rupees. For the last two years the Government of India have extended a standby credit facility to Nepal. The new agreement is also of a revolving nature whereby Nepal can continue to draw upon the facility and repay the amounts due within the overall ceiling of Rs. 100 million.

In the last agreement, this amount was Rs. 50 million which has now been enhanced. The standby credit is aimed at assisting Nepal in tiding over any temporary balance of payments problems which may arise as a result of the growing volume of trade between the two countries.

DEVELOPMENT ASSISTANCE FROM SWEDEN

An Agreement providing Swedish aid of Rs. 1135.70 million (Skr. 565 million) to India was signed recently by the representatives of the two countries. The aid includes assistance of Rs. 462.30 million (Skr. 230 million) for 1975-76 and Rs. 351.80 million (Skr. 175 million) for 1977-78. Earlier Sweden had provided for resources to the extent of Rs. 321.60 million (Skr. 160 million) for 1976-77.

Out of the assistance of Rs. 462.30 million (Skr. 230 million) for 1975-76 an amount of Rs. 231.20 million (Skr. 115 million) will be available for general imports by India. These resources will be available to the extent of Rs. 90.50 million (Skr. 45 million) in the form

of grant and Rs. 140.70 million (Skr. 70 million) in the form of interest-free loan repayable over a period of 50 years with an initial grace period of 10 years. The entire assistance of Rs. 231.20 million (Skr. 115 million) is untied and can be used for financing imports from any part of the world.

A provision of Rs. 140.70 million (Skr. 70 million) has been made in the Agreement to finance imports of goods and services from Sweden. The whole of this amount will be in the form of a grant. As in the past, this amount is expected to be utilised for import of bulk commodities such as fertilisers, paper, etc., as also for capital goods and services from Sweden.

The Agreement provides for technical assistance to the extent of Rs. 90.50 million (Skr. 45 million) which also will be in the form of a grant. This amount will be utilised for the implementation of several projects in the fields of family planning, health, agriculture and forestry, export promotion, and so on.

The Agreement also provides for resources to be made available by Sweden in the year 1977-78 for general imports and imports from Sweden to the extent of Rs. 201.0 million (Skr. 100 million) and Rs. 150.80 million (Skr. 75 million) respectively. As in the past, the amount of technical assistance to be extended by Sweden in 1977-78 will be decided later at the time of the annual discussions for that year.

The entire assistance committed for 1977-78 will be in the form of an outright grant.

The assistance extended by Sweden for 1975-76 represents an increase of 15 per cent over the level of 1974-75 for which year the assistance was of Rs. 402 million (Skr. 200 million).

It will be recalled that a special feature of development assistance from Sweden, is that each year an indication of assistance extending over a three-year frame is given which is helpful in enabling India to plan for the optimum utilisation of the resources made available. Thus in the Agreement for 1973-74 an indication had already been given that assistance to the extent of Rs. 281.40 million (Skr. 140 million) would be made available

for 1975-76. The amount for technical assistance was, however, not indicated at that stage. Similarly the Agreement for 1974-75 already contains a provision for resources to the extent of Rs. 321.60 million (Skr. 160 million) being made available for 1976-77.

TRADE FAIRS AND EXHIBITIONS ABROAD

SUCCESS AT INDIAN TRADE EXHIBITION IN SEOUL

During an exclusive Indian Trade Exhibition in Seoul, South Korea, organised by the Ministry of Commerce, (April 25 to May 9, 1975) orders over Rs. 50 million were booked and finalised for supply of various Indian products. Besides, some of the goods on display were sold to create further demand in the potential market. The value of these goods sold amounted to Rs. 0.5 million.

The Exhibition created awareness in the Korean market about the technological progress made in India and also generated large scale demand for Indian goods like textile machinery, machine tools, surgical and medical equipment and apparatus and also finished leather.

Bulk inquiries were also received for a number of commodities. Mentionable among these are scooters, hand tools, locks, jute bags, bags for school-going children, handicrafts such as wooden screens, papier mache products, jewellery and silver ware and silk, sports goods, fruit juices, coffee and marine products. The popularity of the exhibition also proved to be a boost for Indian tourism.

The Indian exhibition was inaugurated by the Deputy Prime Minister of the Government of Korea, in Indian traditional style. India's industrial progress vis-a-vis her capacity to meet the demand of the Korean market was projected through this exhibition. Main products on display were milling machines, tool grinding machine, precision lathes, drilling machines, textile machines, medical and surgical goods alongwith heavy and light

engineering goods, minerals and metals, sports goods, leather items and food products.

India's export trade with the Republic of Korea totalled Rs. 60.30 million during 1973-74. In the same year, Indian import from that country amounted to Rs. 2.5 million. The position of mutual trade in 1972-73 was different. Indian exports to the Korean Republic amounted to Rs. 12.6 million.

The major items of Indian exports to South Korea during the last two years have been jute manufactures, salt, human hair, mica, natural gum and resins, cashew shell oil, non-electric machinery, railway equipment, iron ore, pig iron, manganese ore and concentrates and mulberry silk waste.

INDIA'S PARTICIPATION IN TRIPOLI FAIR

India's participation in Tripoli International Fair during March this year proved to be a marked success according to the information available from the Indian Embassy in Tripoli (Libyan Arab Republic). In spite of its limited size, the India Pavilion succeeded in displaying a cross-section of India's manufacturing ability.

The Pavilion had made a successful attempt to present the progress in the light and heavy industries of India as also on the modernisation of the economy's agricultural sector,

The Indian Pavilion drew a large number of visitors including top businessmen of not only Libya but the neighbouring countries too. As a result of India's participation in the fair, substantial business is expected to be materialised, particularly in the engineering sector.

Indo-Libyan trade relations have been improving year after year. The Libyan market absorbed Indian products worth Rs. 51 million in 1973-74 as compared to Rs. 36 million in 1972-73 and a little over Rs. 18 million in 1971-72. Metal manufactures (Rs. 10 million), aluminium (Rs. 9.5 million), iron and steel (Rs. 5.7 million), electric machinery (Rs. 4.5 million), other machinery (Rs. 3.8 million), jute goods (Rs. 3 million), clothing (Rs. 2.3 million), roadmotor vehicles (Rs. 1 million) were the leading items exported by India to that market in 1973-74.

Engineering goods occupy an important position in the context of India's export trade with Libya. The export value of these products in 1969-70 was merely Rs. 2.8 million but in 1973-74 it rose manifold to Rs. 51 million, according to the Engineering Export Promotion Council, Calcutta. The most important engineering product exported from India was electric wires and cables (Rs. 11.50 million) followed by transmission line towers (Rs. 9.87 million), M.S. pipes and tubes (Rs. 6.22 million), electric control gears (Rs. 6.8 million), textile machinery (Rs. 5 million), Oil lamps and stoves (Rs. 3 million), diesel engines and parts (Rs. 1.96 million), pipe manufacturing plant (Rs. 1.29 million), electric fluorescent tubes and fixtures (Rs. 1 million), auto and autoparts (Rs. 0.8 million) and so on.

India proposes to participate in the Tripoli Fair in early 1976 also.

INDIA TO PARTICIPATE IN BAGHDAD FAIR

The Government of India have decided to participate in the forthcoming Baghdad International Trade Fair scheduled to be held from October 1 to 21, 1975. There are considerable prospects of selling Indian goods in the Fair as Iraq is placing great emphasis this year on import of capital goods for implementation of projects to be undertaken under their National Economic Development Plan.

The import programme of Iraq also envisages large scale import of consumer goods. The object of India's participation will, therefore, be to strengthen the existing relations and at the same time to diversify trade by introducing new projects in the expanding Iraqi market. Since the Fair is quota oriented, it offers an excellent opportunity to the participants to book trial orders.

India's exports to Iraq have gone up substantially over the last few years. The value of our exports in 1973-74 was nearly Rs. 200 million as compared to nearly Rs. 110 million in 1972-73, 100 million in 1971-72, Rs. 96 million in 1970-71 and Rs. 94 million in 1969-70. Indian goods exported to Iraq include tea, spices, cereals and cereal preparations, tobacco and tobacco manufactures, textile fabrics, cotton piecegoods and garments, machinery and transport equipment, electrical machinery, apparatus and appliances, iron and steel items like

bars, rods, tubes and pipes, chemicals including dyes, drugs and pharmaceuticals, footwear, rubber manufactures, precious and semi-precious stones, cement and fabricated building material.

India has also entered into several projects and joint ventures in Iraq. These include a feasibility-cum-cost study of Baghdad-Hsaibah Railway line and the Economic Study of Baghdad-Hsaibah-Akashat Railway Project by the Indian railways and collaboration agreement for the assembly and progressive manufacture of ceiling fans in Iraq.

ON CONSTRUCTION EQUIPMENT INDUSTRY

The construction equipment industry in India is turning out a wide variety of earth moving equipment and road rollers. The major items covered under earth moving equipment include excavators/shovels, dumpers, crawler tractors, wheeled and crawler type loaders, scrapers and motor graders.

Production of excavators in the country in 1973 was 115 numbers which was sufficient to fully meet the indigenous demand. At present, there are two firms, M/s Tata Engineering and Locomotive Company Ltd. (TELCO) and M/s. Hindustan Motors Ltd., both in the private sector, engaged in manufacture of excavators in the size ranging from 3/4 to 3 cu. yds. capacity. TELCO have recently developed machines of 4½ cu. yds. capacity. M/s. Hindustan Motors Ltd., have also developed a completely indigenous excavator of 3/4 cu. yds. capacity with their own equipment and know-how according to the information of Ministry of Industry & Civil Supplies. Currently, the firm is engaged in the manufacture of excavator's of size 2½—3 cu. yds. capacity. It proposes to start shortly manufacture of excavators of 4½ cu. yds. capacity.

The production of dumpers with capacity ranging from 25 to 50 tonnes is undertaken by M/s. Hindustan Motors Ltd. and M/s. Bharat Earth Movers. Of these, the former has made significant progress to reach their licensed capacity. Actual production nearly doubled to 304 numbers in 1974 from 154 numbers in the preceding year.

The production of crawler tractors suffered a setback in 1974 at 242 numbers as compared to 252 numbers

in 1973. The entire production was shared by two units in the line, M/s. Bharat Earth Movers Ltd. and M/s. Jessop & Co. A third unit is also expected to go into production shortly.

There are two units engaged in production of wheeled and crawler type loaders. They turned out 63 loaders in 1974. The production range includes 2 cu. yds and 2 1/4 cu. yds. capacity loaders. One of these units has recently developed a higher capacity loader of 3 1/2 cu. yds. capacity and will shortly undertake its production. The loaders are useful in mining industry and irrigation projects. The demand is mainly from Defence and Mining Undertakings.

Motorised scrapers of 14-20 cu. yds. capacity are presently manufactured by only one firm. Another unit licensed for this product is also likely to commence production shortly.

Like scrapers, motor graders are also produced only by one firm. The production was 13 numbers and 16 numbers in 1973 and 1974 respectively.

Road roller industry which constitutes the second category of construction equipment industry has made appreciable progress in recent years. Production during 1974 was of the order of 1415 numbers. Of the 7 units in the line, M/s. Jessop and Co. Ltd., a public sector unit has contributed more than 90 per cent to the total production of road rollers in the country. By 1978-79, the demand for road rollers is estimated at 1,800 numbers while the current licensed capacity is placed at 4,500 numbers. It is, therefore, not proposed to license any further capacity in this field. Creditably, the existing manufacturers in the line have achieved almost 100 per cent indigenous content in the manufacture of road rollers.

The construction and earthmoving equipment industry of India has entered export markets. During 1973-74, the export value of earthmoving equipment, particularly excavators and parts was Rs. 3.86 million. New Zealand was the most significant market at Rs. 3.66 million. Additionally, foreign exchange secured through export of construction and mining equipment was of the order of Rs. 0.48 million in the same year. United Arab Emirates was the leading buyer, followed by Qatar, Mauritius and Zambia. □

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MILLION DOLLAR DRILLING RIG CONTRACT FROM IRAQ

An order from Iraq valued at U.S. \$ one million has been won by M/s Tata Exports, Bombay from the Ground Water Development Administration, Ministry of Agriculture, Iraq, for the supply of 10 water well drilling rigs manufactured by another Indian firm, M/s Voltas Limited, Bombay along with other operating accessories and equipment. The contract was awarded on global tender basis against intense competition from the U.S.A., Europe and the Soviet Union. It is stated to be the first time that India would be exporting such equipment. This major breakthrough has aroused, according to the Indian party that won the contract, considerable interest in Asia, Middle East and Africa where research for underground water has been receiving high priority and has resulted in another contract worth U.S. Dollar 0.25 million in free foreign exchange from the Government of Sri Lanka for the supply of the same variety of rigs.

The order secured by M/s Tata Exports for the drilling rigs are to be executed by the firm's new Drilling and Mining Division. This Division was constituted in August 1974 to cater to the specialised international markets for drilling and mining machinery and allied equipment and for principally exporting the drilling machinery and technical services of M/s Voltas Limited.

The connections of M/s Voltas Limited with the drilling industry go back to 1958 when they developed select range of diamond core drills and diamond drill bits. Since then over 1000 drilling machines and 80,000 bits have been manufactured and sold by them.

With the assistance of M/s Tata Exports Limited, M/s Voltas commenced the export of drilling equipment in 1971 with a modest turnover of nearly Rs. one million which within four years (1975) is estimated to have reached Rs. 12 million. This equipment has found markets in the countries of South East Asia, Middle East, Europe and Africa in competition with long established U.S., Swedish, Japanese and British manufacturers.

Apart from the progress achieved by the new Drilling and Mining Division of Tata Exports, the Tata Electric Locomotive Company (TELCO) Division of Tata Group recently secured orders for 698 auto vehicles valued at over Rs. 50 million from the Arab Republic of Egypt, a repeat order for 75 buses from Government Monopoly Republic of Afghanistan, in addition to 100 buses already contracted for and an order for 20 buses from the National Oil Company, Iraq, as a result of satisfactory operation of Tata vehicles supplied to the Defence Ministry in that country.

The Power and Transmission Division of the Tata Group has recently secured three contracts for the supply of conductors, earth wire, cable end boxes and fuse gear to the Ceylon (Sri Lanka) Electricity Board for the value of over Rs. 12 million under IDA/IBRD finance. This order to be executed in association with another Indian firm is in addition to the earlier order for switchgears, secured from the same country.

Recently, M/s TELCO received the All India Top Exporters' Shield (AITES) from the Engineering Export Promotion Council, Calcutta for the highest export in the field of engineering goods during 1973-74. The total number of vehicles exported by this organisation since 1961-62 exceed 10,500 to more than 25 countries around the world for a cumulative foreign exchange value of Rs. 570 million.

SMALL INDUSTRIES CORPORATION SECURES EXPORT ORDER

The National Small Industries Corporation has recently secured a sizeable order from the Soviet Union for the export of bath room sink mixers. These items worth Rs. 1.5 million against the contracts signed between the Corporation and the Moscow Export Organisation are being manufactured by a Delhi firm, M/s Dunlop Pump Industries, Krishna Nagar.

The small scale sector in India has made notable headway in the context of export trade. The export value of the small scale industries is estimated at Rs.

3932 million during 1973-74, according to the Annual Report of the Ministry of Industry and Civil Supplies (1974-75). The number of small scale units registered with the Directors of Industries in various States of the country were nearly 40,000 by the end of 1973. It is estimated that during 1973 the small scale industries in India produced goods worth Rs. 62490 million and provide employment to 4.5 million persons. Investment in the sector has been estimated at Rs. 8140 million.

The export profile of the small scale industries in India includes a number of non-traditional products particularly in the engineering and chemical sectors.

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INDIA'S INDUSTRIAL MACHINERY FOR EXPORT 11

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EXPORT SUCCESS OF AN ELECTRONIC FIRM

M/s Weston Elektroniks Private Limited, Okhla Industrial Estate, New Delhi has carved for itself a position in the field of electronics—both in the domestic and international markets. The company is engaged in the manufacture of television receivers, cassette tape recorders, record players, electronic desk calculators and transistor radios.

This firm has made its mark in the export of electronic goods and in 1972-73 its export figure stood at only Rs. 1.10 million. But that was no deterrent. Over the years, the company has emerged as a leading manufacturer and exporter of electronic goods—its total turnover amounting to Rs. 60 million and its exports touching Rs. 8 million in 1974-75. The number of countries to which its goods have been exported were 35 in that year.

A feature of the firm's progress has been its ability to secure a foothold for the non-traditional products in countries where developed nations like UK and Japan are well entrenched. Also it has secured and executed a large export order for Cassette Tape Recorders. This is the first time, it is claimed, that this non-traditional product has been exported from India.

The company has export orders worth Rs. 6 million in hand, and has set for itself a target of Rs. 15 million worth of electronic/electrical goods in 1975-76.

EXPORT ORDERS ON TDA CLIENTELE

Quite a few trial orders are reported to have been placed on the clientele of India's Trade Development Authority (TDA) for a variety of non-traditional products. A leading automobile manufacturer in West Germany is reported to have placed an order for fasteners while another firm from the same country has sought to import hardness testers from TDA's clients.

An order for key boards was also received by a member firm of the Authority from yet another German firm. A leading department store in Canada is also reported to have placed a trial order for polyester shirts on another client of the Authority and large orders are expected on successful completion of this trial order. A firm from Afghanistan has requested TDA to locate suitable entrepreneurs for collaboration to manufacture storage batteries.

A four member team representing a consortium of importers of Federal Republic of Germany recently visited various manufacturing units all over India and expressed their desire to import Indian tools and market them in Europe under their brand name. The visiting team evinced interest in India's machine tools, precision tools and small handtools.

TDA has recently organised a market information survey in France, U.K., and Canada for specific items of India's export interest such as castings and forgings, electrical products and plastics.

A seven member Swedish delegation comprising of experts on electronics, forgings and leather products also visited India recently. The delegation, whose tour programme was organised by TDA, is reported to have been much impressed by the development technology and products which the Indian industry can offer.

INDIAN EXPORTS REACH ALL TIME HIGH

India's exports for 1974-75 have been provisionally placed at Rs. 32,530 million. This marks an increase of one hundred per cent in the span of 36 months from the period 'ending March, 1972, to the period ending March, 1975, according to the Secretary, Ministry of Commerce, Government of India.

Reviewing the rapid rise in exports during the last few years, the Commerce Secretary said that India's export figure, which was only Rs. 16,080 million in 1971-72, rose by 22.5 per cent to Rs. 19,700 million in

1972-73, by a further 28 per cent in 1973-74 to Rs. 25,230 million and now for 1974-75, as per latest figures available, the exports rose to Rs. 32,530 million. However, he pointed out that the country's import bill had grown even further and the country was faced with a record trade deficit of Rs. 10,950 million.

Considerable diversification has taken place in Indian exports and the non-traditional export items like engineering products including complete plant and equipment, chemicals and allied products, footwear and leather goods, marine products and gem and jewellery had come into their own. In the fields of traditional exports also, new lines had developed in textiles, jute goods and tea.

The Commerce Secretary, however, warned that the country's export performance should not lull us into a sense of complacency, because the present huge trade deficit might grow even further in 1975-76. He also mentioned about the "contrary trends" in international trade which had affected the position of Order Books all over the world including India and this in turn, would undoubtedly affect the off-take of Indian products unless some effective measures were taken.

In this connection, the Commerce Secretary mentioned the case of the big drop in India's export of cotton textile piecegoods which came up to only 381 million metres at the end of March, 1975, compared to 649 million metres at the end of the previous 12 months period. This showed how vulnerable India's position could be and what Herculean effort need to be made in the current year even to remain at the level of the last year, he remarked. He also added that if the nation was to achieve the twin goal of self-reliance and development, then it would need an increase of exports at the rate of 10 per cent per year in real terms.

SUBSTANTIAL RISE IN ENGINEERING EXPORTS TO WEST EUROPE

The export value of India's engineering products to West European markets has almost doubled to reach

Rs. 215.45 million during 1973-74 as compared to Rs. 112 million in the previous year. The enlarged European Economic Community (including U.K.) has raised its offtake to reach Rs. 1947 million from Rs. 98.6 million in the comparable years.

U.K. which continues to be a major importer of the engineering products from India has more than doubled its offtake from Rs. 44.5 million in 1972-73 to Rs. 92 million in the subsequent year. The major product groups which U.K. imported from India's engineering sector in 1973-74 were M.S. pipes, tubes and fittings (Rs. 17 million), E.P.N.S. ware (Rs. 10.3 million), handtools, small tools and cutting tools (Rs. 8.7 million), radios and parts (Rs. 6.6 million), auto and auto parts (Rs. 6.4 million), wireless and other electronic equipment (Rs. 6 million), builders' hardware and locks (Rs. 3.7 million), machine tools (Rs. 3.7 million), diesel engines and parts (Rs. 2.8 million), fire arms of sports (Rs. 2.2 million), mechanical handling equipment (Rs. 2.2 million), abrasives and grinding wheel (Rs. 2 million), and bicycles and parts (Rs. 2.4 million). In addition, India has been supplying to U.K. other engineering products such as stainless steel utensils, P.A. equipment, electric accessories and appliances, switchgears and transformers, electric lamps and so on.

Next to U.K. the Federal Republic of Germany has been the most prominent buyer of India's engineering products in West Europe. The German purchases were worth Rs. 70 million in 1973-74 as compared to Rs. 33 million in 1972-73. The principal products that the West German market bought from India during 1973-74 were auto and auto parts (Rs. 30.8 million), hand tools and small tools (Rs. 8.9 million), switchgears and transformers (Rs. 7.1 million), steel pipes and tubes (Rs. 4.9 million), diesel engines and parts (Rs. 2.4 million), machine tools (Rs. 3 million), wireless and other electrical equipment (Rs. 2 million), dry and storage batteries (Rs. 1.4 million), textile machinery (Rs. one million) and cameras (Rs. 1 million). West Germany also imported from India in 1973-74, builders' hardware, radios and parts, sanitary and water fittings, bicycles and parts, and forgings.

The export value of Indian engineering products to Netherlands totalled Rs. 11 million in 1973-74 while to

France it was worth Rs. 9.94 million, Italy Rs. 7.3 million, Belgium Rs. 4.6 million, Denmark Rs. 2 million, Sweden Rs. 6.5 million, Switzerland Rs. 2.3 million, Greece Rs. 6 million and Ireland Rs. 2 million.

INDO—SOVIET TRADE TALKS

India has requested the USSR to enlarge the traditional concept of product trade and give more emphasis on production collaboration between the two countries for increasing the trade turn-over. This was conveyed by Prof. D.P. Chattopadhyaya, Union Commerce Minister, to the visiting Soviet Trade Delegation led by Mr. I.T. Grishin, Deputy Minister of Commerce,

Formal discussions between India and Soviet Trade Delegations to finalise a long-term Trade and Payments Agreement between the two countries have also begun. The Indian Delegation is led by Mr S.G. Bose Mullick, Secretary, (Export Production) Ministry of Commerce.

The current long-term trade plan for 1971-75 will expire in December 1975 and a new long-term plan for the next quinquennium, 1976-80, has to be negotiated in the course of this year. The new plan will coincide with the next five year economic plan of Soviet Union.

Referring to the Commerce Minister's suggestion regarding production collaboration, the Soviet Deputy Foreign Trade Minister said that in March, this year, a GOSPLAN delegation from USSR had visited India and held discussions with the Indian Planning Commission in this respect. The delegation had identified certain fields and a decision by the Soviet Government on its report would be taken shortly for implementation, he added.

In course of the discussions with the Soviet Delegation, Prof. Chattopadhyaya pointed out that although both India and Soviet Union planned their production for periods of five years, economic difficulties like oil crisis, drought and world wide inflation made it difficult

to assess accurately the requirement of commodities which would be necessary as imports and the quantum of commodities which would be available for exports. He urged that there should be an operational marriage between the capacities and requirements of the two countries before finalising the next Five Year Trade and Payments Agreement.

The Soviet Deputy Foreign Trade Minister said that his Government attached great importance to Indo-Soviet trade relations. Referring to the visit of Mr L.I. Brezhnev to India in November 1973, and his meeting with the Indian Prime Minister, Mrs. Indira Gandhi at that time, he said that the intention of the Soviet Government was to double the trade turn-over with India by 1980 in accordance with the directives from the leaders of the two countries.

The Commerce Minister pointed out that various Ministries in India had finalised their requirements of the essential inputs from Soviet Union during the next five years. The Soviet side took note of India's requirements of major items and promised to meet these to the maximum extent possible.

The Soviet side also expressed keen interest in importing raw rubber from India. They pointed out that the Soviet Union was at present importing 300,000 tonnes of rubber from other sources.

The present round of discussion between the two delegations to finalise the five year agreement, was the third in the series. Discussions on this subject were initiated in October last year when a delegation led by Mr. Bose Mullick visited Moscow. There was further progress in this direction when another delegation led by Mr. Y.T. Shah, Commerce Secretary, held talks with the Soviet authorities in March this year. It is expected that after one or two more rounds of discussions, the long-term trade plan between the two countries will be finalised by September this year.

It may be recalled that Mr. M.S. Patolichev, Soviet Minister of Foreign Trade had earlier invited Prof. D.P. Chattopadhyaya, Union Commerce Minister, to visit Moscow this year for signing the trade and

payments agreement. Prof. Chattopadhyaya had tentatively accepted the invitation.

India's trade with the USSR has increased significantly during the last five years. The total trade turnover between the two countries increased from Rs. 3,000 million in 1971 to Rs. 6,180 million in 1974. The trade protocol for 1975 envisages a turn-over of around Rs. 7500 million. India's exports to USSR include engineering goods, computer, software, finished textile products, medicines and pharmaceuticals, in addition to traditional commodities like cashew kernels, coffee, spices, tobacco, jute manufactures and handicrafts. The main imports from USSR include fertilizers, petroleum products, non-ferrous metals, steel and steel products, components and spare parts for Soviet assisted projects in India, electronic equipment, capital goods and machinery.

INDIA'S EXPORTS TO LIBYAN ARAB REPUBLIC

The Indian Embassy in Tripoli (Libya) has informed that on the basis of external trade statistics published by the Government of Libya for the calendar year 1973, the most important items exported from India to that country were coconut, cashew, spices, unmanufactured tobacco, vegetable oil products, natural gums and resins, medicaments, essential oils, organic chemical products, leather goods, rubber products, fabrics of cotton, wool, jute and synthetic materials, tarpauln tents, woollen rugs, furnishings, cast iron pipes and fittings, handtools, variety of base metal products, textile machinery, diesel engines and pumps, electric power machinery, electric appartaus, radio broadcast receivers, electric light equipment, automobile equipment, cycles, vehicles parts, furniture, travel goods, readymade garments, footwear, scientific instruments, sports goods, jewellery and precious metals and so on.

The total value of India's exports to Libya exceeded 2 million Dinars (Rs. 50 million) in 1973.

The highest exports in terms of value were of iron or

steel parts for structures finished, tobacco unmanufactured, spinning extruding machines, iron or steel domestic stones boilers, cookers, ovens, space heaters, etc., bags, sacks of textile materials, insulated wire and cable, electrical insulators; pharmaceuticals, bay leaves and other spices, internal combustion engines other than for aircraft, other motor vehicular parts, parts of bicycles, electrical apparatus for making, breaking or protecting electrical circuits, electrical conduit tubing and joints thereof of base metal lined with insulation material, machinery spare parts; men's boys, women's, girls and infants outer garments, instruments for measuring or controlling the low depth pressure of liquids or of gases, jewellery, particularly imitation jewellery and so on.

In the year 1974, India was able to add still other items including: safes, crushers, refrigerators, buses and mini-buses, steel pipes, shoes and chappals, greeting cards, music records and tapes, telephone instruments, electric fans, tea, cold storage equipment and so on.

Recently the Libyan Oil Minister visited India. In the course of the discussions that the visiting Minister has had with the Indian authorities, it was agreed that there exists substantial scope for economic cooperation between the Libyan Arab Republic and India, particularly in the field of oil and oil based industries. The Minister informed the Indian authorities of Libya's willingness to let Indian Oil and Natural Gas Commission look for oil in Libya, it is reported. In the context of technical cooperation, engineering and refinery programmes, India would be ready to train Libyan engineers and technicians in various branches of engineering and this was informed to the visiting Libyan Minister.

INDO—JORDANIAN TRADE AGREEMENT

India and Jordan have recently entered into a new trade and economic agreement which widens the scope

for cooperation between the two countries compared to what was envisaged in the earlier agreement of 1963.

The new agreement is modelled on the pattern of accord with socialist countries and provides for formulation of trade plans. It further goes a step ahead in providing for the establishment of joint ventures and cooperation in economic fields. A trade delegation from Jordan has recently visited India to discuss the new agreement and in the course of the trade talks, envisaged keen desire to forge close economic links with India particularly in the fields of cement and oil refining. Jordan has on hand sizeable schemes for power transmission and distribution and it was felt that this would be another area where cooperation between the two countries would prove fruitful.

Exports from India to Jordan totalled Rs. 37 million during 1973-74 against Rs. 25 million in 1972-73. Indian imports from Jordan were over Rs. 89 million in 1973-74 and Rs. 43 million in the preceding year. The composition of Indian exports to Jordan during 1973-74 and 1972-73 was as follows : metal manufactures (Rs. 12.4 million and Rs. 5.7 million), tea (Rs. 2.6 million and Rs. 13.1 million), jute goods (Rs. 2.7 million and Rs. 1 million), machinery (Rs. 1.9 million and Rs. 0.3 million). Indian imports from Jordan are almost entirely made of rock phosphate.

PLANS TO IMPROVE SILK EXPORTS

Export worth Rs. 140 million of silk goods made in India has been proposed for the year 1975-76, according to the information available from the Central Silk Board, Bangalore. Indian exports of silk goods were of the order of about Rs. 3.4 million in 1958 but in 1974-75 they rose to Rs. 122.80 million. The rise in the export trade over the years was mainly due to improved offtake by the Federal Republic of Germany, U.K. and other West European markets.

Silk production in India is around 3000 tonnes per year of which about 2400 tonnes is of mulberry variety

and the rest of non-mulberry type. For the Fifth Five Year Plan, the Central Silk Board has a target of 4645 tonnes—3500 tonnes of mulberry, 1145 tonnes of non-mulberry. The Fifth Plan target for silk exports has been placed at Rs. 875 million, of which silk fabrics alone will be exported for Rs. 800 million while silk yarn is targetted at Rs. 40 million and silk waste Rs. 35 million.

INTERNATIONAL RESERVES OF INDUSTRIAL COUNTRIES

International reserves of industrial countries including the holdings of foreign exchange, gold and Special Drawing Rights (SDRS) as well as their reserve position in the International Monetary Fund have amounted to the equivalent of SDR 100 billion at the end of the first quarter of 1975, which was a distinct improvement over SDR 94 billion at the end of March 1974. After their dramatic rise during 1974, international reserves of oil exporting countries have lately begun to move more slowly and unevenly. At the end of the first quarter of 1974, international reserves of oil exporting countries were at an estimated total of SDR 16 billion and at the end of 1974 as well as at the end of February 1975 they amounted to an estimated total of SDR 39 billion.

Among the major factors behind this increase of international reserves of industrial countries were large external borrowings (both private and official) as well as large inflows of funds from the oil producing countries. Also some countries experienced strengthening of their balance of payments quite apart from the flows of the borrowed funds. International reserves of the United Kingdom rose from SDR 5.34 billion at the end of the first quarter of 1974 to SDR 5.87 billion at the end of the first quarter of 1975, of France from SDR 6.74 billion to SDR 7.52 billion and of Japan from SDR 10.3 billion to SDR 11.35 billion during the same period.

Expressed in U.S. dollars instead of SDRs, international reserves of industrial countries have risen more

rapidly (by about 10 per cent) from \$113.48 billion at the end of the first quarter of 1974 to \$124.82 billion at the end of the first quarter of 1975. The slower rise of industrial countries expressed in SDRs (by 6.4 per cent) is explained by the change in recent months of the exchange rate of the dollar against other currencies, as well as against the SDRs which has led to a correspondingly lower valuation of dollar holdings in terms of SDRs.

The largest reserve among oil exporting countries, according to the International Monetary Fund was that of Saudi Arabia which totalled to the equivalent of SDR 12 billion at the end of January 1975 which only marked a change from SDR 11.7 billion at the end of 1974, but increased from SDR 4.03 billion at the end of the first quarter of 1974. Iran's reserves went up from the equivalent of SDR 1.79 billion at the end of the first quarter of 1974 to SDR 6.85 billion at year's end and to SDR 6.68 billion at the end of the first quarter of 1975; Kuwait's reserves moved from SDR 0.54 billion to SDR 1.14 billion and to SDR 1.37 billion during the same periods, and Libya's from SDR 2.05 billion to SDR 2.95 billion and to SDR 2.39 billion. Iraq's reserves were SDR 2.73 billion at the end of February 1975 as compared to SDR 2.67 billion at the end of 1974 and to SDR 1.79 billion at the end of the first quarter of 1974.

The international position of India which was at SDR 1110 million by the end of 1971 came down to SDR 1082 million in the fourth quarter of 1974; by January 1975 it was worth SDR 989 million. In terms of US dollars the total reserves recorded improvement. It was \$ 1206 million in 1971, \$ 1142 million in fourth quarter of 1973 and \$ 1325 million in the same quarter of 1974. In January 1975, it was \$ 1225 million. Gold holdings of India are around SDR 243 million. SDR position of India which was worth \$ 161 million in 1971 improved to around \$ 268 million in 1972, \$ 294 million in 1973 and \$ 302 million in February 1975. India's reserve position in the International Monetary Fund was \$ 9 million by the first quarter of 1974. The foreign exchange reserve of India which was worth \$ 690 million in 1971 came down to \$ 626 million in the first quarter of 1975.

RESERVE BANK OF INDIA ANNOUNCES CREDIT POLICY

As many as 50 industries in the medium and heavy engineering sector would be eligible for preshipment export credit at concessional interest from banks as provided for in the Credit Policy announced by the Reserve Bank of India for the 1975 slack season. These industries would be eligible for preshipment credit for 180 days at an interest rate of 11.5 per cent a year and for a further period of 90 days at 13.5 per cent a year. This is against the normal bank charges of at least 14 per cent on industrial accounts.

During the 1974-75 busy season Reserve Bank of India confined preshipment credit at concessional interest to a period of 90 days only.

The list of items on which preshipment credit on concessional interest has been announced includes sugar mill machinery (including khandsari machinery), textile mill machinery, jute mill machinery, oil mill machinery, shoe-making machinery, tea machinery, flour mill, rice and dal mill machinery, printing machinery, paper and pulp machinery and wood working machinery;

Fertilizer plant and equipment, water and sewage treatment plants, cement plants, food processing plants, power generation equipment including turbines, alternators, generators and boilers, power medium and distribution transformers, high tension switchgear and control gear complete, high tension power transmission lines, power line carrier communication equipment and complete equipment for electric sub-station;

Machine tools including metal cutting, metal pruning and tool room machine tools, industrial furnaces including electric furnaces, asbestos cement plant and machinery, chemical and pharmaceutical machinery, mining machinery and rubber machinery;

Complete dairy equipment, solvent extraction plants, industrial boilers, industrial switchboards and control panels, electric motors above 20 H.P., power station structures, hydraulic structures like pen stocks, gates and

gearings, sub-station and railway electrification structures and technological structures ;

Industrial refrigeration and airconditioning equipment, industrial fume extraction, dust collection, humidification and ventilation equipment, mechanical handling equipment including cranes, heavy duty pumps, and compressors, railway wagons and coaches ;

Ships, boats and launches, steamers and trawlers, crawler tractors, shovels, excavators, loaders, dumpers and other earth-moving equipment, pile foundation machinery, road and construction machinery including road rollers, continuous batch plants, stone crushers, concrete mixers and vibrators and construction contracts abroad.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

FACTS ON MULTI-NATIONAL ENTERPRISES IN INDIA

The total assets of multinational enterprises in India with 538 branches and 202 Indian subsidiaries stood at Rs. 25,350 million, according to an official study, it is learnt. The study revealed that bulk of these companies were British and American. Foreign companies remitted abroad as profits or dividends a sum of Rs. 715 million in the two years—1971-72 and 1972-73. At the end of 1972-73. There were 538 branches of foreign companies operating in India, the parent companies being incorporated in 34 countries. But as many as 320 branches or 59 per cent of the total number belonged to U.K. companies., while U.S. based companies were 88 in terms of number and Japanese, West German, Swiss and French companies came next with seventeen, twelve and eight branches respectively.

India's Minister for Finance recently stated that foreign private investors sent Rs. 672 million outside

India in 1973 by way of profits, dividends, interest on loans and so on. The foreign private capital in India in 1972 was Rs. 17,504 million.

Of the 538 branches operating at the end of 1972-73 as many as 161 fell in the broad group of commerce (trade and finance). Branches in the field of agriculture and allied sectors number 117, of which tea plantations formed the bulk. About 89 branches were accounted for by business services, followed by processing and manufacture with 82 branches.

MORE FOREIGN COLLABORATION IN INDIAN ECONOMY

During the quarter January-March 1975 fifty three cases of foreign collaboration were approved by the Government of India. Out of these, forty five cases involved technical collaboration and eight were for financial participation also.

The collaborating countries are Belgium, Canada, Federal Republic of Germany, France, German Democratic Republic, Hungary, Italy, Japan, Sweden Switzerland, U.K. and U.S.A.

The items of manufacture include diamond core drilling machines, gramophone records, foundry chemicals, finished leather, tapchangers, crankshafts, tyre moulds, penicillin, calcium carbonate, apple concentrate, phenol, carbon black and pneumatic conveying equipment.

NEW STIRRING IN INDIA'S NON-FERROUS SECTOR

Within months of the commissioning of the first new Copper Smelter at Khetri by the Prime Minister of India, new ground has been broken by the public sector in another part of non-ferrous metal industry.

In far-off Korba, in the uplands of Madhya Pradesh, the first public sector Aluminium Smelter has produced

the first ingot recently (May 19, 1975). Production pace is picking up speed, though this is of course only the first of the four potlines of the new smelter, each of which would be capable of producing 25,000 tonnes of aluminium metal per year. Only one potline could be commissioned now because the Madhya Pradesh authorities, with some difficulty, could provide at this stage only 55 MW power needed. They are trying their best to provide the second chunk of another 55 MW by early 1976. At even half its capacity, finally of 1,00,000 tonnes of aluminium metal per year, this new smelter would represent more than 25 per cent of the current installed capacity in the country which so far had all been in the private sector.

SCIENTIFIC RESEARCH AND PRODUCT DEVELOPMENT

POWERED CYCLE RICKSHAW DEVELOPED

The Central Mechanical Engineering Research Institute, Durgapur has recently developed a powered cycle rickshaw which can serve as an inexpensive and quick transport medium for short distance with low running cost compared with powered two-wheelers.

The powered rickshaw would have a conventional 50 c.c. two-stroke petrol engine developing 2.1 h.p at 6000 R.P.M., a suitable gearbox and multiplate clutch. The drive to the rear axle from the engine is through chain and sprocket with tension adjuster. The power-pack (engine, clutch and gearbox) is mounted below the passenger's seat.

Further information may be secured from the National Research Development Corporation of India, 61, Ring Road, Lajpat Nagar III, New Delhi - 110024.

LEAD ACID STORAGE BATTERY FOR LOW TEMPERATURE OPERATION

The conventional type lead acid batteries do not function efficiently at temperature below 0°C because

the state of the electrolyte is so altered that the net reaction between the electrode active material and the electrolyte is reduced considerably. In certain fields of application where the battery has to provide power for electrical machinery working at low temperature e.g. air crafts, ships and trucks operating at high altitude area, it is desirable to use lead acid batteries working with an improved efficiency at low temperatures. Such batteries can be used for operating in cold weather, particularly in defence vehicles, air crafts, in ships and also in commercial and public vehicles.

With a view to improve the performance of lead acid batteries at low temperature, investigations were carried out at Central Electrochemical Research Institute Karaikudi and a new formulation of the paste composition for the production of battery plates was developed. The process consists in the preparation and use of addition agents for both positive and negative plates. When these addition agents are added to the plates in a proper manner, there is a general improvement in its performance at all temperatures, the improvement being marked at low temperature. The process for making the batteries with improved performance at low temperature is the same as for making ordinary batteries except the use of addition agents in plates.

The various steps involved in the production of batteries with improved performance at low temperature are (1) grid casting (2) preparation of addition agent (3) mixing and pasting (4) drying; (5) forming and drying (6) assembly and (7) testing.

Lead, antimony, lead oxide, barium sulphate, carbon black separator, sulphuric acid, container with cover, sealing compound and sulphite liquor are the main raw materials required in the process.

The various items of equipment required are : Lead melting furnace, oil fired; Grid mould with stand; Paste mixture, Lead welding equipment; Distilled water still; Hand press, Acid storage tanks, Rectifier, Formation tank, Vacuum pump and Air oven. All are available indigenously.

INDIA'S INDUSTRIAL MACHINERY FOR EXPORT

A wide variety of industrial machinery made in India is well established in the export markets. Total export value of industrial plant and machinery exported during 1973-74 was placed at about Rs. 160 million, according to the information available from Engineering Export Promotion Council, Calcutta. Of this the export value of textile and jute machinery was of the order of Rs. 39.4 million, sugar mill machinery Rs. 39.8 million, cement machinery Rs. 11 million, food processing machinery Rs. 12.9 million and other machinery, including excavators, tractors and earth moving equipment Rs. 56.53 million.

Textile machinery which secured over Rs. 28 million in 1973-74 was mainly exported to Libya (Rs. 5 million), South Korea (Rs. 4.7 million), Hongkong (Rs. 3 million), Taiwan (Rs. 2 million), Tanzania (Rs. 1.6 million), Bangladesh (Rs. 1.5 million), Ethiopia (Rs. 1.45 million) and U.K. (Rs. 1.14 million).

For the jute mill machinery of India which had an export market worth nearly Rs. 3 million in 1973-74, the major market was that of Bangladesh (Rs. 2.4 million).

Knitting machines which were exported to fetch Rs. 8.6 million in 1973-74 were principally supplied to Czechoslovakia (Rs. 4.3 million) and German Democratic Republic (Rs. 3 million).

Sugar mill machinery is another important line of industrial machinery that has been exported from India over the years. Of the nearly Rs. 40 million export market that this sector has had during 1973-74, Malaysia proved to be the best importer besides Senegal and Uganda. In addition to the export of sugar plant and machinery, sugarcane crushers were also active on export front, particularly to Libya and Kenya.

Of the Rs. 11 million worth of export market which cement plant and machinery have had during 1973-74, the contribution of cement mixers and concrete vibrators was of the order of Rs. 0.7 million with Bahrain, Iran and United Arab Emirates as the leading buyers.

In addition, Indian industry exports food processing machinery, oil mill machinery (Rs. 6.3 million), rice,

dal and flour mill machinery (Rs. 2.45 million), tea machinery (Rs. 3.9 million), office machinery (Rs. 42.4 million), paper and pulp machinery, agricultural machinery and plastic machinery.

The total licensed capacity of textile machinery in India was of the order of Rs. 1430 million by November 1974. Presently, there are 13 units reporting production besides which a large number of units are active in the manufacture of accessories and components. The industry suffered underutilisation of capacity some time back mainly because of lack of orders from the textile mills but the position has now improved recently taking into account the modernisation, research and expansion programme of the textile industry. The Government of India have taken steps to remove certain bottlenecks in the supply of raw materials, stainless steel, pig iron and so on and give higher import assistance to the industry to help speed up its production in the shortest possible time on the one hand and restricted imports on the other. Almost the entire range of spinning machinery, weaving machinery and processing machinery is being manufactured in India at present. For certain sophisticated items, not produced so far in the country, steps have been taken to create capacity and clearance for foreign collaboration wherever necessary. The schemes so cleared include sophisticated items like combers, silver lap and silver lap equipment, super speed automatic warp winding machines, automatic pirn winding machines, high speed automatic looms, rotary screen printing machines, open end spinning machines, shuttleless looms and so on.

A wide variety of jute mill machinery is also being manufactured in sizeable quantity in India. The machinery being produced indigenously includes jute spreaders, softeners, carding machines, drawing machines (both for light and heavy yarn), spinning frame winding machines like roll winders and cop winders, pre-beaming machinery, dressing machinery, loops (both broad and narrow), automatic loops, dampening machines, cloth measuring machines, inspection machines, roll-up machines, dust shaker machines, power reading machines, broad loom dampening machines, pressure cooking plants for sizing, cloth rolling machines and brushing machines. Active efforts are under way

to develop indigenous competence in the manufacture of many other jute mill machinery items so that their imports could be cut down eventually. Efforts are being made to completely indigenise the production of drawing and spinning frames and softeners in this field. Manufacturing facilities for jute cards and dressing machines which were hitherto being imported have also been set up. A sizeable number of looms have been recently exported and a jute mill has been set up in Uganda with Indian capital participation and machinery export.

In the rayon and synthetic fibre plant industry, there are 8 Indian firms in the line covering a wide production range which includes continuous filament yarn, staple fibre plants and rayon spinning machinery as well as synthetic fibre plants. During 1973-74, production of quite a few sophisticated equipment like polymerisation equipment, waste recovery, spinning equipment, draw twisters and up-twistors was reported to have been fixed for the first time in the country.

The paper and pulp machinery industry in India is now capable of producing small sized, medium sized and large sized plants of capacity ranging from 20 tonnes per day to 200 tonnes per day. Certain specified items of paper machinery such as Fourdrinier Wire Cloth, and Brown stock washer are being produced. Dandy Roll required for water marking of paper in paper mills has also been produced recently for the first time in the country. The broad type of equipment for the manufacture of which Indian economy has established itself includes paper plants, complete broad mill plant, paper quating plant and machinery, tissue making plant, wire cloth, brownstock washer, bleach washers, bamboo chippers, conical refiners and elastic calender bowls.

In the field of sugar mill machinery, there are seven Indian firms licensed with total capacity of 21 standard plants of 1250 tonnes cane crushing capacity per day. This includes not only the complete plants but also piecemeal machinery requirements of existing sugar factories for the purpose of expansion and modernisation. In addition, there are other firms licensed to manufacture items of sugar machinery such as diffusion plants,

vacuum filters which are supplied to existing sugar factories for expansion purposes. In terms of value the total installed capacity is of the order of Rs. 282 million against which the expected production in 1974 was worth Rs. 225 million.

Currently, there are ten units engaged in the production of cement machinery in India and their total capacity is 18 complete plants of 600 to 1200 tonnes per day. In terms of value the total installed capacity is Rs. 260 million against which the production during 1974 was of the order of Rs. 100 million. In order to develop indigenous competence and cut-off dependence on foreign collaborators the Government of India have decided to terminate the collaborative agreements which have run their period from the end of 1976. The manufacturers are being asked to develop their base of technology and the Cement Research Institute is engaged in collecting data leading to standardisation of equipment. The Institute is also mobilising indigenous talents to achieve self-reliance in the design of plant and machinery.

Chemical and pharmaceutical machinery is yet another area in which the Indian industry has made notable progress. This sector covers a wide spectrum of industries and their diverse requirements. There are 67 units licensed for the manufacture of various chemical machinery items like pressure vessels, heat exchangers, dryers, filters, special pumps and lined tanks. Also domestic capacity is sizeable to produce complete plants like sulphuric acid plants, superphosphate plant, water treatment plant, solvent extraction plant and alcohol plants. According to the estimates made by the Ministry of Industrial Development and Civil Supplies the total licensed capacity for the manufacture of chemical and pharmaceutical machinery is around Rs. 892 million and the capacity that has materialised during 1973-74 was of the order of Rs. 742 million.

Manufacturing capacity for many other lines of industrial machinery has also come to be well established in India. The example of such machinery sectors are rubber machinery, printing machinery, food processing machinery, ceramic machinery and tea machinery. □

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STEEL CONSULTANCY FOR EXPORTS

The Metallurgical and Engineering Consultants (India) Ltd., (MECON) have over the years, developed notable expertise in providing consultancy and engineering services for the promotion of ferrous and non-ferrous metallurgical enterprises both in India and abroad.

The Government of India have entrusted this organisation the task of preparing a feasibility report for sponge iron and steel plant complex for Bangladesh based on Indian ore and locally available natural gas. MECON had submitted its report in December last.

This organisation was also commissioned by the Government of United Arab Emirates to prepare a feasibility report for the setting up of sponge iron steel plant complex at Dubai with a capacity of about 400,000 tonnes of billets per year. This plant too would be based on Indian iron ore and local natural gas. MECON'S report was already given in December last.

Among the major assignments that this leading consultancy organisation received from India are the principal consultancy job for the expansion of the Bokaro Steel Plant from 1.7 million stage to 4 million ingot tonnes a year stage; preparation of a feasibility report for increasing hot metal production from the existing blast furnaces of Indian Iron and Steel Company and serving M/s. Bharat Aluminium Co., Ltd., as the prime Indian consultant for the smelter and fabrication complex of their Korba Aluminium Project. MECON is also associated with a number of new schemes aimed at optimisation of production at the steel plants of Hindustan Steel Ltd. These include expansion of Bhilai Steel Plant, installation of half-coke oven battery at Durgapur and so on.

EXPORT PERFORMANCE OF MACHINE TOOLS

M/s. Hindustan Machine Tools, Bangalore, leading machine tool manufacturer of India, has registered the

highest turnover so far, worth Rs. 638 million and achieved an export earning of Rs. 25.20 million during 1974-75. Machine tools worth Rs. 24 million were exported by this organisation to sophisticated markets including British, American and European regions besides Rs. 1.2 million worth of watches supplied to Australia and New Zealand. This company had also secured orders for 522 tractors against a tender floated by the International Bank for Reconstruction and Development and this order is estimated to bring in additional foreign exchange worth Rs. 15 million.

Having entered the export field in 1966, HMT has been endeavouring to increase its export performance of machine tools to a level of at least 20 per cent of its overall turnover valued at Rs. 100 million a year. To achieve this target a new subsidiary company—H.M.T. International—was established with the sole objective of handling the company's export business. Besides exporting general purpose low cost labour intensive types of machine tools, HMT has decided to enter into high priced, more automatic and highly sophisticated modern types of machine tools mainly needed by the advanced countries like the USA, Australia and New Zealand. This policy has brought in dividends to the company and facilitated its export growth manifold.

HMT has recently developed a numerically controlled lathe in collaboration with a British firm of repute. This joint endeavour resulted in HMT's securing orders for 15 of these machines valued at about £150,000. HMT had also secured orders for making its engineering services available to a firm in Switzerland. The company has licensed one of its licences to a firm in the U.K. on royalty basis also.

Apart from undertaking physical supplies overseas, HMT has been accepting turnkey projects to set up machine tools and other engineering factories in the developing countries. A beginning in this connection was made in the Philippines and Sri Lanka.

H.M.T. is a multi-unit company with five machine tool units located in Bangalore, Hyderabad, Kerala and Haryana and three watch units located in Bangalore and Srinagar. The licensed capacity of the various machine tool units is around Rs. 250 million.

Over the recent years, HMT has taken on hand the manufacture of various types of die-casting and plastic injection moulding machines in Bangalore unit, agricultural tractors in Pinjore unit, printing machines (including letter processing and paper cutting machines) in Kalamassery unit and heavy duty process and press brakes in Hyderabad unit.

In an endeavour to further diversify its production structure, HMT has planned to manufacture a variety of complicated machine tools. Already the firm has taken on hand the development of auto tool changers, numerical lathes, vertical index tables and so on.

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India's total installed capacity in the machine tool sector is estimated at Rs. 1030 million and the country's total production is of the order of Rs. 750 million during 1974-75. The country's reliance on imports of machine tools which was 44.5 per cent in 1969 has been reduced to about 25 per cent in 1974-75. Total exports of machine tools from India rose from Rs. 37 million in 1973-74 to Rs. 45 million during 1974-75.

EXPORT SUCCESS OF TANNERY AND FOOTWEAR CORPORATION

The Tannery and Footwear Corporation of India, Kanpur has come to establish itself in the export field of finished leather, footwear, boots, shoe uppers, harness and saddlery and belts. The Corporation's overseas customers include USSR, Australia, Federal Republic of Germany, Sweden, Italy, France, USA, U.K. and Iraq.

The Corporation has recently signed a contract with the Government of Iraq for export of 300,000 pairs of boots worth about Rs. 20.50 million. This contract is under execution. The Corporation was exporting only one item viz sandals to the Soviet Union. Today, not only the quantum of its exports but also its destination has been substantially diversified. The production value of this public sector enterprise rose year after year from about Rs. 8 million in 1969-70 to Rs. 24.6 million in 1973-74 and Rs. 47 million in 1974-75. Its value of exports exceeded Rs. 1.36 million in 1969-70, Rs. 3.68 million in 1973-74 and an estimated Rs. 18.9 million in 1974-75.

INDIA'S EXPORT PROGRESS—AN OUTLOOK

Notwithstanding difficulties, India will not only have to maintain the level of exports achieved in 1974-75 but has also to register an increase of at least Rs. 2500 million during 1975-76.

During 1974-75, exports around Rs. 32,500 million, representing an increase of about 29 per cent over the

preceding year, were reached. The total imports in 1974-75 were also of the order of about Rs. 43,500 million, resulting in an adverse balance of about Rs. 11,000 million. In 1973-74, the adverse balance was about Rs. 4000 million. This growing imbalance was a matter of great concern,

A developing economy like India, has to rely on imports in certain crucial areas of development until the country's own capacities in these vital sectors become viable and stable. On the other hand, since production in general, and export production in particular, has not been registering the pattern of growth necessary in the present circumstances, it would be difficult to improve upon the export performance of recent years. Therefore, a well-planned and executed export strategy would be of utmost importance, stated India's Minister of Commerce, Prof. D.P. Chattopadhyaya. There has been a declining trend in commodity prices in the international markets. India would, therefore, require far more exportable surpluses than what it had last year, to maintain its growth rate in exports. 'The time had come, when we must consciously develop "export psychology", by fiscal, administrative and other methods, at the national level. We have to take more basic measures, which may mean drastic curtailment of consumption at home in respect of commodities which have marketability abroad,' the Minister added.

There are over 500 industrial units which have shown evidence of having exported 20 per cent or more of their production of non-traditional products. The total F.O.B. value of the exports of these units was about Rs. 1150 million. With the fall in the prices of raw materials in the world markets, these units are expected to be able to import, in terms of quantity, more raw materials within the same value. This would help in augmenting production and in generating more exportable surpluses.

The Commerce Minister said that it was already announced that capacities in excess of the licensed levels in certain sectors would be regularised, provided the entire production of such excess capacities were to be earmarked for export purposes.

The Minister said that the developing countries in West Asia, Africa and South-East Asia were undertaking massive programmes of social and economic development and India should participate in these programmes in a significant and over-increasing proportions. To be able to do so, the Minister advised, 'we should have to match expertise and capabilities of advanced countries, especially in the field of intermediate and medium range technology and also provide credit terms which could be offered by such countries.' The Government is in the process of exploring the possibility of setting up a separate financial institution for this purpose and other devices such as formation of a consortium of existing financial agencies.

INDIA'S EXTERNAL COMMERCE AND WORLD BANK

India's exports in 1974-75 had gone up by 29 per cent over the performance of 1973-74 and by 100 per cent over the figure of 1971-72. The increasing import bill had imposed a record trade deficit of Rs. 10,950 million during the last financial year. The international commodity boom which had enabled India to boost her exports are now on the ebb, and it would be difficult to keep up the trend in the present recessionary situation.

The factors which are responsible for India's increasing trade deficit are the sky-rocketing export price of food, fuel and fertilizer, and inadequate flow of funds. Though the balance of payments position is quite serious, the Government is fully seized of the problem and is taking all possible measures to overcome it.

This was conveyed by Prof. D.P. Chattopadhyaya, India's Commerce Minister, to the World Bank when its Regional Vice President, Mr. M. Weiner, called on the Minister. The programmes, policies and prospects of India's exports during the current year were discussed in the meeting. The present visit of the World Bank official is in accordance with the general policy of the Bank to keep in close touch with the major borrowing countries.

Commerce Minister listed various measures adopted by the Government of India to increase exports and expressed the hope that India would receive assistance from the World Bank in this respect. He also enquired from the World Bank official whether the Bank had any priority for assisting the projects in the developing countries. Mr. Weiner pointed out that no particular priority had been laid down for India. While deciding about granting loan to a project, the Bank would go by the recommendations of the recipient country and would consider the contribution of that particular project to the general economic development.

The World Bank has been involved with India in a big way. The total assistance authorised by the Bank so far came to about Rs. 21,420 million.

India is a founder Member of the International Bank for Reconstruction and Development (IBRD) popularly known as the World Bank. India's subscription to the share capital of the World Bank is \$ 900 million. The World Bank has played a leading role in organising assistance for the economic development of India by establishing Aid-India Consortium, meetings of which are held every year where Member countries make pledges regarding foreign assistance to be extended by them during the year for economic development of the country. A meeting of the Aid-India Consortium is scheduled for June this year.

The assistance from the World Bank and its affiliate International Development Association forms 30 percent of assistance received by India during the last few years. The assistance from the World Bank is in the form of loans for projects both in the public and the private sector, the loans in the private sector being guaranteed by the Government. The loans have been granted by the World Bank and the IDA in several fields including agriculture, industry, communications and transport. The World Bank charges interest on its loans on the basis of the rate of interest paid by the Bank on the bonds floated by it in different International Capital Markets plus a certain amount of service charge.

INDO-SOVIET TRADE TALKS

For the preparation of a long-term Trade and Payments Agreement for the period 1976-80, negotiations were recently held between the Indian and Soviet Trade delegations (May 26 to June 4, 1975). The Soviet delegation was led by Mr. I.T. Grishin, Deputy Minister of Foreign Trade and the Indian delegation by Mr. S.G. Bose Mullick, Secretary (Export Production), Ministry of Commerce.

During the negotiations, the two delegations exchanged views about the main features of the new Agreement and the proposals of the two sides regarding supplies of Indian and Soviet goods.

When the Soviet leader, Mr. Brezhnev visited India in November 1973, the leaders of the two countries set the target of increasing trade turn-over between India and USSR by one and half to two times by 1980. In preparing their proposals for the long-term Agreement, both sides kept this objective in view and were motivated by the desire to expand and diversify Indo-Soviet trade. The delegations also took note of the various proposals for production cooperation between India and the USSR which are under discussions between the competent authorities of the two countries. Implementation of these proposals will open up possibilities for additional exchange of goods.

The volume of Indo-USSR trade turn-over envisaged in the 1975-Trade Plan is of the order of Rs. 7000 to 7500 million. In 1974, it was a little over Rs. 6000 million. During the next five years, it is expected to reach nearly double this size.

It was agreed that the next meeting of the two delegations would be held in Moscow in August, 1975.

PACKAGE PLAN TO STIMULATE INDIA'S ENGINEERING EXPORTS

Certain far reaching decision have been recently taken by the Government of India to promote the country's engineering exports.

The decisions include measures to enhance production capacity to generate exportable surpluses. It has also been decided that to the extent possible within the resources available, the exporter would be provided with all the inputs needed including raw materials, power, and export finance, on a priority basis. For allocation of steel, procedures have been simplified and the Iron & Steel Controller would now have the sole responsibility to make allocations after these are sponsored by the Engineering Export Promotion Council.

Another major decision is that in case the prices of steel are revised upwards by 10 per cent or more, contracts entered into by the exporters upto the date of revision of prices would be protected provided the contracts do not contain escalation of prices clause to cover the price increase adequately. On the same lines, it has been decided that in respect of the export of capital goods and turnkey projects, the rate of cash assistance obtaining at the time of concluding the contract would be protected till the completion of the contract, as against the existing limit of two years in the case of turnkey projects and 18 months in the case of capital goods. In the case of other engineering exports, such protection would be made available for a maximum period of three years against the existing limit of one year. This protection will be applicable in cases where the price is not renegotiable. For determining cash assistance itself particularly with a view to harnessing unutilised capacity for exports, it has been decided that whereas it would continue to be on the basis of marginal costing, in addition to the rate of cash assistance thus arrived at, 25 per cent thereof would be added to count towards the fixed cost of production. The cutoff limit of 25 per cent cash assistance would, however, stand as earlier. It is proposed however to undertake shortly a comprehensive review of the cash assistance system.

For a more rational approach to the prescribing of export obligation, the question of imposing specific export obligation would be considered only by the Licensing Committee except where the proposal does not involve its approval. Where other bodies namely Capital Goods Committee or Foreign Investment Board consider any modification necessary, these would be referred to the Licensing Committee for final decision. The penal provision on the non-fulfilment of export

obligation has been made more realistic. Instead of the units being required to hand over twice the difference between the stipulated annual obligation and actual exports to State Trading Corporation or other agency for export at whatever price it would fetch, it has been decided that it would suffice if, instead, an equivalent quantum as per unfulfilled part of the export obligation is handed over to the STC.

A major step towards simplification of procedures decided upon is that the Industrial Development Bank of India has been named as the focal point for receipt and processing of exporters' proposals for deferred payment on exports instead of applications being preprocessed as at present at three or four points. This procedure will obviate the need for exporters to approach the three institutions individually. It is also being decided, subject to certain minimum requirements in regard to payment terms etc. being fulfilled, the exporters may enter into firm commitment with foreign buyers without prior approval of the RBI and Export Credit and Guarantee Corporation, in case of deferred payment contracts of a value not exceeding Rs. 5 million and a credit period not exceeding 5 years, provided IDBI financial assistance is not required.

Among other decisions taken are liberalise foreign exchange permits for travel abroad such as in the case of Consultancy organisations for export promotion and for joint ventures subject to certain stipulations. Pre-shipment credit at concessional rate of interest up to 180 days for a number of capital goods has already been announced by the R.B.I.

The above decisions taken by Government, both in regard to basic policy matters as well as procedures, constitute a big step forward to help the engineering exporters. The Government is confident that, with these measures, the export target for engineering goods of Rs. 6000 million (at 1973-74 prices) in the course of the next three or four years should be well within the country's reach.

SHIPPING SERVICE TO THE CARIBBEAN

A shipping service from India to the Caribbean has been inaugurated with the arrival of India's 'Vishva-

Seva' at George town (Guyana) recently. This ship has a capacity of 13445 tons.

After a voyage of 26 days from India to Guyana, the ship's arrival at Georgetown was hailed by the Indian High Commission as an important event in the development of trading relations between the two countries.

Among the cargo for Guyana were 10 buses to add to the growing fleet of India made buses in the Guyana transport system. There were also 45 trucks on 'Vishva-seva' for delivery at Jamaica.

Indian exports to Guyana amounted to Rs. 5.66 million during 1973-74 as compared to Rs. 3.76 million in the previous year. Major items of exports are cotton textiles, rubber manufacturers, spices, iron and steel, footwear, films and bicycles.

BOKARO STEEL PLANT EARNS FOREIGN EXCHANGE

The Bokaro Steel Plant has earned over Rs. 170 million by exporting 48700 tonnes of pig iron. The importing countries include Soviet Union, Japan and Bangladesh.

This steel plant is currently meeting over 50 per cent of the domestic pig iron requirements.

Its first blast furnace has been able to achieve, since early 1975, 110 per cent of its rated capacity. The blast furnace crossed the 2 million tonne mark in hard metal production by the end of May this year.

INDO—PORTUGAL TRADE

Effective from January 1, 1975 the ban on India's trade with Portugal which was in operation for nearly two-decades, had been lifted.

The Ministry of Commerce, Government of India has recently made a study in collaboration with Indian Institute of Foreign Trade and concluded that India is in a competent position to offer a wide variety of products to Portugal, besides consultancy services. shrimps, spices, animal feed, sugar, organic chemicals, dyestuffs, medicinal products, cotton fabrics, clothing and engineering goods are stated to be major products that India can export to Portugal.

Among the engineering products that have export prospects from India, labour intensive items have particular scope. These include handtools (for agriculture and forestry), cutlery, sewing machines, centrifugal pumps, ball and roller bearings, swithgears and storage batteries, autoparts, and measuring instruments.

Also, some of the long-term projects of Portugal offer scope for export of consultancy services from India. The projects that may be illustrated in this context are a new airport at Lisbon planned for operation by 1979-80, renovation and expansion of rail, road and super high-way construction between Lisbon and Oporto; hospitals, nuclear energy and thermal power plants and expansion of Lisbon subway system.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

HEAVY ENGINEERING PRODUCTION TOUCHES NEW HIGH

The Heavy Engineering Corporation (HEC), Ranchi, a public sector undertaking under the Department of Heavy Industry, showed a record production of Rs. 760 million in 1974-75 as compared to Rs. 565 million in 1973-74. This marked an increase of 35 per cent over the previous year.

The doubling of production of machine tools from 30 in 1973-74 to 60 in 1974-75 by the Heavy Machine Tools Plant, a constituent unit of HEC, was a significant

achievement. This increase was valued at Rs. 57 million as compared to Rs. 32.30 million.

During the year 1974-75, the Heavy Machine Building Plant, another constituent unit, increased its production significantly. The production in 1974-75 was worth Rs. 496.50 million as against Rs. 377.80 million in 1973-74.

The value of production at the Foundry Forge Plant, the third constituent unit of HEC, rose from Rs. 171.90 million in 1973-74 to Rs. 217.60 million. The production of liquid steel in this plant increased by more than 3,000 tonnes, which is a vital factor in the overall increase of production by HEC.

The Foundry Forge Plant manufactured sophisticated castings and forgings, such as propeller shafts and intermediate shafts for the Hindustan Shipyard, cylindrical tyre castings for the Madras Cement Plant and crankshafts for the Diesel Locomotive Works, Varanasi. During the year, this plant commissioned its lime and dolomite kiln and the vacuum degassing plant. It also manufactured some of the heavy forgings for electrical plants and rolls for steel plants using heavier ingots. These ingots were degassed at the recently commissioned vacuum degassing plant.

With these developments, the HEC has been able to play a vital role in import substitution, saving valuable foreign exchange.

M/s Heavy Engineering Corporation thus consists of three engineering units viz : Heavy Machine Building Plant for manufacture of steel equipment and other heavy equipment; Foundry Forge Plant for manufacture of castings and forgings and Heavy Machine Tools Plant for manufacture of heavy machine tools.

The Heavy Machine Building Plant is designed to manufacture 80,000 tonnes of equipment per year. Out of the total capacity of about 65,000 tonnes was designed for production of steel plant equipment and the balance for remaining equipment required by other industries like cement, fertilizer and mining and petroleum. This plant has been set up with Soviet assistance.

There is also a structural shop attached to this plant with a capacity of 25,000 tonnes of structurals per year.

The Foundry Forging Plant was set up primarily as a captive unit for the Heavy Machine Tool Plant and Heavy Machine Building Plant of HEC. Besides, the Foundry Forging Plant has a provision for meeting the demand for heavy castings and forgings of various other industries. This plant has been set up with Czech assistance.

The Heavy Machine Tool Plant has an annual production capacity of 10,000 tonnes of machine tools including central lathes, radial drilling machines, horizontal boring machines and so on. The production range of the plant includes 22 different capacity models of these machine tools. This plant has also been set up with Czech collaboration.

FACTS ON STEEL PRODUCTION IN INDIA

India's production of saleable pig iron amounted to 1.59 million tonnes in 1974-75. The production of steel ingots in the same year stood at 6.6 million tonnes. The output of finished steel was of the order of 4.89 million tonnes in the year.

During the first three quarters of 1974-75, the output of Pig iron, steel ingots, and finished steel respectively were 1.16 million tonnes, 5.20 million tonnes and 3.58 million tonnes.

While the installed capacity envisaged by the end of Fourth Five Year Plan was 12 million ingot tonnes, the Draft Fifth Five Year Plan lays emphasis on the expansion of Bhilai Steel Plant from its present capacity of 2.5 million tonnes to 4 million ingot tonnes and continuing work at Bokaro Steel Plant to achieve the capacity of 4.75 million ingot tonnes in 1978-79. The existing integrated steel plants have a total capacity of 8.9 million ingot tonnes, equivalent to 6.5 million tonnes of finished steel per year. The expansion of Bhilai and

Bokaro would make available an additional ingot capacity of 6.25 million tonnes equivalent to 5.4 million tonnes of finished steel. Taking into account the production build-up in the expanded plants and the capacity utilisation in the existing plants, it is estimated that about 8.8 million tonnes of finished steel would be available in India by 1978-79.

As for new steel plants, three of them at Salem, Vishakhapatnam and Vijayanagar are being planned. The Salem plant is being designed for the production of 195,000 tonnes of sheets and strips per year. The Steel Authority of India are taking steps for the preparation of detailed project reports in respect of the other two new steel projects. Each of these projects is to have an ultimate capacity of about 3 million tonnes of ingot liquid steel.

During 1973-74 India imported iron and steel products worth Rs. 2495 million (over one million tonnes). Of this, mild steel imports amounted to Rs. 1754 million (0.85 million tonnes), alloy steel Rs. 417 million (79,500 tonnes), high carbon steel Rs. 204 million (94,000 tonnes), steel castings and forgings Rs. 69 million (6550 tonnes). There were also some imports of cast iron, iron and steel scrap, pig iron and sponge iron and ferro-alloys.

Indian exports of pig iron and steel totalled Rs. 202 million (467,455 tonnes) according to the Steel Exporters Association. Of this the export of pig iron was worth Rs. 1.6 million (430,800 tonnes). The export of steel products amounted to Rs. 46 million (36,650 tonnes). The main steel item exported was rails worth Rs. 26.5 million (24,950 tonnes) as also steel rounds, plates, bars and rods; steel structurals and steel sheets.

Export of iron and steel scrap in 1973-74 amounted to Rs. 29 million (111,665 tonnes). There were also exports of ferro alloys effected from India during the year. These amounted to Rs. 42 million (31,370 tonnes).

RECORD PRODUCTION OF NEWSPRINT

The National News-print and Paper Mills Ltd., Napanagar (MP), the only newsprint producer in India

so far has succeeded in touching 54,000 tonnes production mark during 1974-75 which is nearly 50 per cent more than its present rated capacity and 10 per cent more than the production of 48,670 tonnes in 1973-74.

The extension programme of the Nepa Mills for raising its annual capacity from 30,000 tonnes per year to 75,000 tonnes per year is under implementation and is nearing completion. The Government of India have approved in principle the Rs. 650 million second phase of the extension programme to further doubling the capacity from 75,000 tonnes to 155,900 tonnes per year eventually.

It is expected that the Nepa Mills will be able to reach optimum capacity of 25 tonnes per day within the next two months. Certain units like chipper chemical recovery boilers and digestors for bamboo pulping have been commissioned for raising the production from the present rated capacity to 75,000 tonnes per year.

Besides the Nepa Mills, the Hindustan Paper Corporation has planned to set up Kerala Newsprint Project (with a capacity of 80,000 tonnes per year). This will be the second newsprint mill in the country and will meet about 25 per cent of the country's requirement. At current prices, the project is expected to result in a saving of over Rs. 250 million in foreign exchange every year.

INDIA'S FIRST SPONGE IRON PLANT GOES ON STREAM

For the first time in India production of sponge iron has been recently started in the factory of M/s. Andhra Cement Factory Limited, Vijayawada.

The sponge iron plant was designed completely with Indian know-how by the National Metallurgical Laboratory (NML) Jamshedpur and no foreign collaboration whatever was involved. Also the plant was erected with hundred per cent indigenous machinery and auxiliary equipment and there was no involvement of foreign exchange on account of the plant.

Unlike pig iron where impurities are present upto nearly 60 per cent, sponge iron is comparatively pure. This can serve as a direct feed-stock for many processes of iron and steel making. It can replace entirely the use of steel scrap as coolant in the basic oxygen process. It can partially replace steel scrap in the electric arc furnace. It can also partially replace pig iron or steel scrap in the hot blast cupola under non-oxidising conditions.

The National Metallurgical Laboratory, Jamshedpur, produced sponge iron successfully in their pilot plant without any external assistance, and it is in collaboration with them that the sponge iron plant has now come up.

The production of sponge iron at the A.C.C. is by the adoption of rotary kiln process. A 100 tonne per day capacity cement rotary Kiln has been converted after carrying out extensive modifications. A calcinator, after fixing buckets, is used as pre-heater for iron ore and lime stone. A new device-central-coal feeding device has been designed, fabricated and erected by the company for performance of feeding coal through kiln stall.

With the production of sponge iron, many steel plants in India which have been dependent on scrap iron as raw material can shift over to the use of sponge iron to produce steel of uniform quality at lower costs.

The sponge iron produced with NML technology has also been successfully converted to steel in 10 tonne furnaces at HEC, Ranchi and Bhilai Steel Plant, Bhilai.

PRODUCTION TARGET OF CEMENT

India's production target of cement has been fixed at 8 million tonnes for the year 1975-76 at a rate of 90 per cent capacity utilisation.

Cement production in the country amounted to 14.7 million tonnes in 1974-75 against the target set for the year to 15 million tonnes. The capacity utilisation was of the order of 72 per cent as against 96 per cent achieved as far back as 1965.

The capacity utilisation target set for 1975-76 should not be difficult in view of the fact that out of 52 plants in India, more than 50 per cent achieved capacity utilisation of over 100 per cent already.

Cement exports from India earned as much as Rs. 95 million during 1974-75. A target of Rs. 350 million has been fixed for these exports in the year 1975-76.

OXYGEN PLANT AT BHARAT HEAVY PLATE AND VESSELS LTD. INAUGURATED

Union Minister of Industry and Civil Supplies, has recently inaugurated the first Oxygen Plant manufactured by Bharat Heavy Plate and Vessels Limited (BHPV) at its works in Visakhapatnam.

Until recently, the country had to import all its cryogenic plant requirements at a substantial cost in foreign exchange. In order to attain self-reliance and self-sufficiency in this important field, BHPV has taken up its manufacture.

BHPV can now offer air separation plants of capacities upto 1000 tonnes per day, besides oxygen units and nitrogen-wash plants for purification of converted gas of any capacity for production of ammonia synthesis mixture.

BHPV is presently executing orders for two 550 tonnes per day capacity oxygen plants each for Bokaro Steel Limited and Bhilai Steel Plant. Among the other orders in hand are one 700 tonnes per day capacity Oxygen Plant and one nitrogen-wash plant for 620 tonnes per day ammonia synthesis for the Haldia Unit of the Fertiliser Corporation of India, and one pure nitrogen plant for M/s Indian Petro-Chemical Corporation Limited. It has also taken up manufacture of small and medium size oxygen plants to suit the requirements of mini steel plants and commercial producers of industrial gases.

BHPV Oxygen Plant will serve as a demonstrative plant for training the operating and maintenance per-

sonnel of customers, as well as a pilot plant for indigenisation and research and development purposes. It will also meet the oxygen requirements of BHPV.

SCIENTIFIC RESEARCH AND PRODUCT DEVELOPMENT

PORTABLE TYPE WARP LOAD METER

The Central Institute of Fisheries Technology, Cochin, has recently developed a portable type warp load meter for small and medium type trawlers. It is an electronic instrument for the continuous measurement of the load (tension) on warps and specially developed for the use in fishing. The instrument is comparatively rugged in construction and is sea worthy, because no delicate components are used in the instrument such as strain gauges and micro meters which are easily spoiled under rough sea conditions.

The warp load meter developed at CIFT, Cochin uses a tension transducer which is clipped to the wire rope. This transducer senses the tension and converts it into electrical signals which are conveyed to an electronic indicating meter. There, the signals are converted into tension in kilograms. The transducer consists of a spring, an electrical coil and a M.S. Core which moves into the coil while the spring is compressed due to the tension on the rope. The wire rope is passed through three pulleys on transducer in such a way that a component of the tension always acts on the spring. The coil in the transducer is energised by an oscillator in the indicating meter and the voltage across the transducer which is a measure of the tension, is amplified and displayed in a micro ammeter after necessary calibration.

The warpload meter can be used for commercial fishing research and development in fishing gear as also in naval and oceanographic experiments (It can also be used at all places for the measurement of

tension (load on a continuous warp where a simple load cell cannot be used conveniently).

Main raw materials needed for the meter are M.S. Rod, M.S. Plate, high quality compression spring, backlite sheet, micro ammeter, transformer cores, enamelled wire, transistor, condensers, zener diodes, resistors, switches, knobs. All these are available indigenously.

The equipment required include precision lathe, drilling machine, grinder, coil winding machine, welding machine. All are indigenously available.

EXPANDABLE POLYSTYRENE BEADS

Expandable polystyrene beads are used in the production of polystyrene foam materials. They find extensive application in low temperature insulation and packaging. These are also used for the production of structural materials and floats. At present M/s BASF (India) Ltd., Bombay are the only producers of this material. The current production by them is about 600 tonnes per annum although their capacity is about 2000 tonnes. The demand in the near future is likely to go up to about 2500 tonnes. There seems to be a good demand for polystyrene foam materials, which at present is mostly used for insulation. However, the packaging and structural applications are fast coming up and will need the installation of additional capacity. In view of the above, process for the production of expandable beads by suspension polymerisation has been standardized at the National Chemical Laboratory.

Distilled styrene is dispersed in water with the help of dispensing agent. Required amount of catalysts, foaming agents and other ingredients are added and the polymerization is carried out under pressure. The beads formed are washed and dried. About 85 per cent of the beads are good beads and about 15 per cent have some pinholes but their foaming characteristics are almost identical with good beads. It is expected that on a large scale production, the percentage of pinhole beads may come down.

NCL's process has been worked out on a scale of 2.7 kg/batch of the finished product. The product has been tested and found satisfactory.

Styrene and certain other chemicals are the major raw materials required for the manufacture of polystyrene beads. Suspension stabilizer and foaming agents will have to be imported. The cost of imported chemicals is about 10 percent of the total cost of raw materials.

The following are the main items of plant and machinery required for the manufacture of the polystyrene beads : — styrene distillation unit, reactor vessels S.S., washers, drying equipment, weighing and storage vessels. These are either indigenously available or can be fabricated in the country.

NORMAL BEAM PROBES FOR ULTRASONIC FLAW DETECTOR

Ultrasonic methods of non-destructive testing of materials are becoming popular these days, as in many cases, the ultrasonic methods prove far more efficient for locating and sizing of flaws, cavities, shrink holes or such other defects which are not readily detected by other means. Ultrasonic non-destructive testing has an added advantage that only one surface of the job under test need be accessible. In general, probes for use with different flaw detectors are imported alongwith their respective parent units from the relevant foreign manufacturers. However, as probes wear out more quickly than the oscillator unit there is an increasing demand for the probes in the local market.

The Central Mechanical Engineering Research Institute, Durgapur has made an invention recently. It is a crystal probe where a piezo-piezo-electric crystal is such that the following conditions are satisfied : (i) A pure mode of generation is obtained (ii) The material is mechanically stable (iii) it is not water soluble nor too soft and (iv) The dielectric constant is low so that the capacitors can be small. The exact demand for the existing flaw detectors and the probes is not available in India, but it is bound to increase further

with the industry becoming more quality conscious. The present demand is being met entirely by imports. Further demand has been estimated at about 1,000 pieces per year.

The raw materials required are brass tubes, rods, a ring, elomite rod, a bought out connector and piezo-electric materials. All are available indigenously. Ultrasonic flaw detectors with accessories, standard calibration block, standard steel blocks for testing, transformer coil winding machine, etc. are the main equipment to be purchased from indigenous market.

EXTERNAL ASSISTANCE TO INDIA

Foreign assistance to India during 1974-75 amounted to \$1760.46 million, according to the information received from the Department of Economic Affairs, Ministry of Finance, Government of India. Of the assistance received in the year, project assistance amounted to \$722.44 million (grants to the tune of \$63.86 million and loans worth \$658.58 million. Non-project assistance was of the order of \$1038 million including a grant of \$83.98 million, loans \$777.26 million and debt relief \$176.78 million).

Project assistance-wise, International Development Agency (IDA) stood out as the leading donor and it provided loans worth \$378.10 million. International Bank for Re-construction and Development was the

next best party having agreed to provide loans worth \$161 million. Other countries that gave project loans to India during 1974-75 were West Germany (\$48.87 million), Japan (\$36.62 million), France (\$25.35 million) and USA (\$8.64 million).

In addition to project loans, certain countries agreed to project grants also. They were : Denmark (\$42.20 million), Sweden (\$9.53 million), Norway (\$7.41 million), West Germany (\$4.06 million) and Canada (\$0.66 million).

Of the non-project loans provided to India by various sources during 1974-75, IDA's loans were worth \$350 million. IBRD provided the loans at a value of \$121.60 million. Next in importance were USA (\$116.40 million), France (\$44.08 million), Netherlands (\$36.69 million), West Germany (\$30.92 million), Sweden (\$29.77 million), Japan (\$23.30 million), Canada (\$10 million), Denmark (\$8.64 million), Belgium, (\$4.75 million) and Austria (\$1.10 million. Non-project grants cameforth from Canada (\$46.70 million), Sweden (\$28.58 million), U.K. (\$4.80 million) and Netherlands (\$3.90 million).

Of the total debt-relief (non-project) received by India during 1974-75 at a value of \$176.78 million, West Germany gave worth \$62.65 million, Japan (\$40.42 million), USA (\$29.12 million), UK (\$21.88 million), France (\$15.27 million), Austria (\$2.91 million), Belgium (\$2.71 million), Denmark (\$0.99 million) and Sweden (\$0.83 m.).

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PROGRESS IN EXPORT OF TURNKEY PROJECTS

In the context of earning valuable foreign exchange through export of turnkey projects, Messrs Engineering Projects (India) Ltd., have come to make an important mark. Set up by the Government of India to undertake the construction of large Industrial Projects both in India and abroad on a turnkey basis, EPI has developed expertise in various fields and is at present implementing projects worth Rs. 864 million in India and abroad.

EPI has recently secured projects worth about Rs. 100 million in countries outside India. For instance, it has received an order of Rs. 56 million from one of the leading firms in the world in the coke oven field for a coke oven project in Yugoslavia for the supply of refractories, structures and other equipment. EPI is also collaborating with a firm in Netherlands for the supply of steel structures worth about Rs. 33 million, for the International Airport in Kuwait. This firm has also

been entrusted with a job involving preparation of detailed design as well as supply of refractories and furnaces for reheating furnaces in Iraq. This job is a sub-contract, worth Rs. 4 million, received from a French firm. EPI is also discussing with certain other foreign reputed firms to be associated with them in projects in the Middle East and other parts of the world.

In view of the large number of Projects being undertaken in the Middle East, EPI has opened regional office at Kuwait and is opening up another office at Baghdad.

EPI has established itself as one of the foremost project-undertaking companies with multi-disciplinary expertise. It can supply equipment and knowhow for steel plant, mines, fertilizer factories and other industrial project, including design, manufacture, inspection, supply, erection and commissioning of equipment on turnkey basis or otherwise. At present, the company is executing 26 projects within India and has specialised in areas of bulk handling of materials, Coke oven plant,

mini steel plants and sugar plants. Among the project, under execution are : bulk fertilisers handling project at Kandla, coal and ash handling project, for power plants, coke ovens and slag granulation units for steel plants, crude oil conditioning plant, silos for storage of food-grains and high voltage transmission lines.

EPI has signed a collaboration agreement with Messrs Dewag of West Germany for the manufacture of electric and reduction furnace with view to specialise in the manufacture of large furnaces of 30 tonnes and above.

EXPORT PROGRESS IN TELE-COMMUNICATION EQUIPMENT

The Indian Telephone Industries (ITI) has played an important role in not only providing telecommunication facilities to the Indian economy but also securing sizeable export value. The telecommunication equipment exported by ITI not only measures upto the International standards, but has earned a reputation for quality and price competitiveness. The quantum of exports has in fact had to be restricted over the years to satisfy the heavy domestic demand. But now that the tempo of production in I.T.I. has witnessed progress, increased quantity of the equipment is available for export.

ITI has so far exported its equipment worth Rs. 50 million to over 40 countries, the major importers being U.K., Australia, Kenya, Tanzania, Uganda, Jordan and Nepal. During 1973-74, its exports amounted to about Rs. 4.4 million while in 1974-75 the exports are estimated to have reached a target of Rs. 10 million. On hand, the export orders with ITI for the supply of equipment and for services like installation, engineering and consultancy amount to Rs. 28 million.

The ITI has recently won an important order worth Rs. 13 million from Surinam (South America) for supply and installation of two major automatic exchanges of 2000—lines capacity each in Paramaribo, the capital of Surinam.

ITI has also recently won a Rs. 13 million order from the Uttar Pradesh Electricity Board against International bidding for providing micro-wave communication on a turnkey basis for centralised control of power stations.

From a few primary exchanges situated mostly in the larger towns and cities, there are a large number of telephone exchanges reaching even the remote inaccessible areas in the country. This progress has been indeed possible owing to the rapid development witnessed in telecommunications as facilitated by the growth of ITI.

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EXPORT ORDERS FOR SHIP BUILDING

M/s. Mazagon Dock limited, Bombay, India's leading ship builder and ship repairer has entered the export field in a big way. During the last one year, the company has secured orders in constructing 77 barges for the Gulf countries, two coastal vessels of 25,00 DWT for Singapore, six cargo vessels of 3800 DWT for the United Kingdom and two water cargos of 9000 cubic meter capacity for the Government of Iran. These orders are worth over Rs. 400 million.

In addition to frigates, M/s. Mazagon Dock can build other vessels such as destroyers, submarines, petrol craft, passenger ships, cargo ships, passenger-cum-cargo ships, dredgers, tugs, barges, trawlers, launches floating cranes, and so on. The organisation has plans for constructing off shore drilling rigs, off-shore fixed platforms, semi-submersible as well as jack up rigs and so on.

Besides ship building, Mazagon Dock is competently equipped to undertake major repairs of passenger ships, tankers and cargo ships. They can handle at a time special survey of two passenger ships, two cargo ships and a tanker as also take up over 60 ships a month for voyage repairs. During 1974-75, the company repaired over 1000 ships of which about 400 were foreign ships.

PROGRESS IN TELE-PRINTER EXPORTS

M/s. Hindustan Teleprinters, Madras have succeeded in receiving export orders from eleven countries during 1973-74 prominent among them being Lebanon, South Korea, and Sri Lanka. Besides earning foreign exchange worth Rs. 400,000 from these exports, the company has witnessed considerable advancement in the context of import substitution.

The import content of a unit teleprinter has been reduced to 4.9 per cent to of its cost of production during 1973-74 as compared to 5.7 per cent in the preceding year. While no new raw materials or components have been imported, indigenous sources have been established for filler coil core and ball bearings among the components and about half of C-55 variety of steel strips among raw materials. This has resulted in foreign exchange saving of about Rs. 100,000 in the year.

The company is currently manufacturing 31 types of teleprinter machines and attachments. It manufactured 6023 unit teleprinters including 141 units in post assembly running-in-stage, as against 6040 units manufactured in 1972-73.

The company has received orders from domestic sources for a variety of products including power cubicles, regenerative repeaters, stand cancelling machines and electric typewriters.

CAST IRON PRODUCTS FOR EXPORT

A variety of cast iron products made in India are in keen demand overseas. They were supplied abroad to the tune of Rs. 50.80 million during 1973-74 as against Rs. 44.75 million in the preceding year. Man-hole covers, pipes and fittings, valves and scissors and malleable iron castings are particularly picking up sales abroad.

CI pipes and fittings constitute the most significant product group exported from the cast iron industry. The export value of these pipes and fittings was as much as Rs. 34.57 million during 1973-74. In this year, Singapore turned out to be the leading buyer (Rs. 12 million), followed by USA, Hongkong, Kenya, United Arab Emirates, Jordan, Saudi Arabia and Kuwait. Malleable iron castings were exported to the tune of Rs. 12.3 million in 1973-74. The Czech and Polish markets absorbed these castings worth about Rs. 5 million each while other important buyers included the Soviet Union, Iraq, Lebanon, Greece and Jordan.

Cast Iron man-hole covers from India are also in increasing demand abroad, particularly from the US market. While the total export value of these covers in 1973-74 stood at nearly Rs. 6 million, the USA absorbed worth about Rs. 2.4 million. Other buyers included the UK, Singapore, Kuwait, Qatar, Kenya, Libya and Malawi.

Singapore was an important market for cast iron spun pipes and fittings. It purchased these products at a value of Rs. 2.7 million.

Among other cast iron products exported by India were CI scissors to Ethiopia and Zambia, CI valves particularly to Iran, Kenya and Hongkong, industrial castings to USA and Saudi Arabia and CI pans to Mauritius.

LARGE OVERSEAS DEMAND FOR HANDTOOLS OF INDIA

From Rs. 76 million in 1972-73 to Rs. 90.5 million in 1973-74, the export expansion of hand, small and cutting tools made in India, would reveal the growing world demand for the products.

The industrialised economies the world over have come to appreciate the export competence of developing countries like India in the field of labour intensive engineering products. As a proof of their realisation the best customers for such labour intensive products exported from India like hand and small tools are mainly among the industrialised economies.

For pipe wrenches from India, for instance, USA and Canada, followed by UK and Greece, were the prominent importers absorbing the bulk of India's total exports in the line which amounted to Rs. 14.5 million. USA alone imported worth Rs. 8 million. Again in respect of spanners, whose exports fetched Rs. 28 million in 1973-74. Poland, Czechoslovakia, UK, USSR, German Federal Republic, Netherlands, Greece and USA were the leading buyers.

The US market emerged as the most important customer for the twist drills exported from India ; during 1973-74 this product secured Rs. 7.4 million and USA purchased worth Rs. 2.25 million. Czechoslovakia, GDR, Netherlands and the UK were among the other buyers.

For steel files exported by India during 1973-74 there were over 30 customers the world over ; this product secured an export value of Rs. 12.5 million in the year as compared to only Rs. 7.3 million in the preceding year. As in respect of other hand and small tools, the major demand for this product also came from industrially advanced countries including Federal Republic of Germany, USA and the UK.

Among several other hand, small and cutting tools that the Indian Industry has been successfully exporting are pliers, vices, tungsten carbide tips and powder diamond tools and bits and threading tools including taps and dies.

The profile of labour intensive products in India's Engineering Sector includes, besides hand tools, auto parts, bicycles and parts, machine tools, diesel engines, pumps and compressors, heating and cooling equipment, electric fans, electronic batteries and electric manufactures like lamps and tubes, scientific and surgical instruments, cutlery and so on. The total value of labour intensive items exported during 1973-74 was Rs. 743 million out of India's total engineering exports amounting to Rs. 1800 million in the year.

REOPENING OF SUEZ CANAL AND IMPACT ON INDIAN SHIPPING

With the reopening of the Suez Canal on June 5, 1975, the voyage time between the Indian Ports and the Western World will be considerably reduced and to that extent should make shipping more attractive. It cannot, however, be predicted with any certainty that the opening of the Canal will facilitate in the reduction of freight charges.

The Suez Canal authority has announced freight rates at more than double the freight rate of 68 cents for Dead Weight Tonnage (DWT) at the time of the closure of the canal eight years ago. Also a differential has been introduced in the freight announced by the authorities : \$1.61 per DWT for tankers, \$1.71 for other \$1.28 for empty vessels.

The longest time taken from West Coast to Black Sea ports around the Cape (37 days) would now come down to 13 days. Similarly from India to USA and the Atlantic, a ship took nearly 31 to 33 days when the canal was closed. Now it would make it in 23 days. Thus the voyage time would be reduced by nearly 64 per cent in the case of ships from the West Coast, while it will be reduced by 54 per cent in the case of those from the East Coast.

Before the closure of the canal in 1967, 137 Indian vessels sailed through it. Now all but 22 of the 239 Indian ships will pass through it. Of the remaining 22 in any case need not touch the canal as they get their supply from the Gulf.

EXPORT GROWTH OF HANDLOOM PRODUCTS

Indian exports of cotton handloom goods during 1974-75 are estimated to have fetched Rs. 868 million as compared to the 766 million in the preceding year. While the exports of cotton handloom fabric items declined from Rs. 321 million (67.65 million metres) in 1973-74 to Rs. 260 million (43.20 million metres) during 1974-75, shipments of cotton handloom made-up items secured more at Rs. 108 million as against Rs. 95.30 million in the respective years.

Handloom readymade garments witnessed considerable export expansion from Rs. 350 million in 1973-74 to Rs. 500 million in 1974-75.

Of the cotton handlooms, real Madras handkerchiefs fetched more at nearly Rs. 70 million during 1974-75 as

compared to Rs. 68 million for the previous year. But in terms of exports the quantities came down from 14.90 million metres to 11.94 million metres.

The export value of lungies and sarongs has also registered upward trend. The export value improved from Rs. 65 million to Rs. 68 million but quantitatively there was a decline from 12.75 million metres in 1973-74 to 10.06 million metres in 1974-75.

Export of bleeding Madras have shortly declined from 4.93 million to Rs. 0.18 million. The off-take of dhoties, sarees and shirtings as well as Madras checks grey sheeting, crepes and furnishings was also not satisfactory.

While the above was the picture of cotton handloom exports during 1974-75, Indian exports of pure silk items during the year were lower by Rs. 122.85 million as against Rs. 123.76 million in 1973-74. There was a drop in the export of pure silk items in terms of quantity from 6 million metres in 1973-74 to over 5 million metres in the year that followed. Of these handloom silk exports, the off-take of Mulberry silk amounted to 43 lakh sq. metres (Rs. 103 million) in 1974-75 as against 5.2 million sq. metres (Rs. 104 million) in 1973-74. The export of tussor silk items was, however, more or less maintaining in terms of value - at Rs. 19.7 million. But there was a drop in terms of quantum exported from 825,000 sq. metres in 1973-74 to 764,000 sq. metres in 1974-75.

Thus the total exports of the handloom sector including cotton and silks amounted to Rs. 991.05 million in 1974-75 as compared to Rs. 889.66 million during 1973-74.

HINDUSTAN STEEL LIMITED EARNS FOREIGN EXCHANGE

The Hindustan Steel Ltd., — India's premier public sector concern—has succeeded in exporting 457,400 tonnes

of pig iron, rails and GC sheets at a total value of Rs. 186 million during 1973-74. In the first three quarters of 1974 (April-December 1974) H.S.L. exported 60,660 tonnes of pig iron including 10,165 tonnes belonging to Bokaro Steel plant at Rs. 21.80 million.

M/s. Hindustan Steel Ltd., has, besides three steel plant units, an alloy steel plant and a fertilizer plant under its management. The total production of ingot steel of Bhilai, Durgapur and Rourkela stood at 3.75 million tonnes, during 1973-74. In the first three quarters of 1974-75 the integrated production in these three plants totalled nearly 2.8 million tonnes. Apart from the production in these three plants, the output of alloy steel plant at Durgapur was of the order of 55,300 tonnes in 1973-74 and 56,050 tonnes during April-December 1974. The fertilizer plant at Rourkela produced 184,000 tonnes of calcium amonium nitrate during 1973-74 and 168,000 tonnes for the first 3 quarters of 1974-75.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

SPOTLIGHT ON GLASS INDUSTRY

The glass industry in India has witnessed notable progress in recent years, not only in the context of manufacturing Sheet and Fibre glass but also for the production of bottles, vials, shells, vaccum flasks and laboratory glass ware.

With an installed capacity of 22 million square metres a year, the sheet glass industry manufactured nearly 15 million square metres during 1974. There are six manufacturing units engaged in this line of production and recently one of the units has changed over from Fourcault to PPG process. There are now two producers of quality sheet glass by PPG process and the rest of the units manufacture the glass by Fourcault process. In addition to the existing units, eight parties

have been issued letters of intent for the manufacture of sheet glass, five of them to adopt the PPG process and one coal born process. With the implementation of these schemes, the installed capacity is expected to increase to 57.45 million square metres. A scheme for the manufacture of float glass, which is a good substitute for plate glass presently being imported, has also been approved.

In the field of fibre glass, there is only one manufacturer who has effected a substantial expansion programme by installing direct melt facility for the manufacture of this glass. This firm's capacity has increased from 600 tonnes per year to 1000 tonnes per year now. Earlier India was importing 'E' glass marbles for the manufacture of fibre glass but now the import has been done away with.

In the manufacturing sector of glass shells, the present installed capacity is of the order of 170 million pieces per year against which actual production in 1974 was estimated at about 153 million pieces. The electric lamp industry in India has come into prominence with the commissioning of various projects and consequently the demand for glass shells has also come to increase. A number of schemes has been approved by the Government to accommodate the anticipated demand. As in 1974, there were seven manufacturers in the line.

Glass bottle sector is yet another area of expansion in the glass industry for the production of bottles as also vials, the installed capacity in 1974 was 281,000 tonnes spread over 26 manufacturing units. Against this capacity the estimated production for the year was nearly 202,800 tonnes. The number of automatic factories making glass bottles has in fact increased to 26 from 23 in the previous year : installed capacity has also been increased accordingly. It is anticipated that the production by the end of Fifth Five Year Plan (1978-79) should be of the order of 300,000 tonnes a year and to be able to produce this much, the installed capacity would have to be 400,000 tonnes. Keeping in view the need to improve the indigenous capacity to be able to cope up with the increasing demand over the years, the Government of India have approved further capacity, in addition to the installed capacity

available in 1974. The installed and approved capacity totalled upto 630,000 tonnes. As the automatic machine required for the production of glass bottles are likely to be indigenous soon, the entrepreneurs who have been granted Letters of Intent have been advised to establish the capacity with indigenous automatic machines.

Vacuum flasks constitute another important line of promotion in the glass industry, three manufacturing units have an annual installed capacity of 4.5 million pieces. Their actual production in 1974 turned out to be 5.7 million pieces.

Laboratory glass ware, table and pressed ware, are yet other lines of development in the line. The production of laboratory glass ware in 1974 stood at 2,070 tonnes while the installed capacity is as much as 72,000 tonnes.

Glass and glass ware have been fairly active in India's export trade. The export value during 1973-74 was of the order of Rs. 37.37 million as against Rs. 27.37 million in the preceding year. The indications from the International market trends are such that the glass ware made in India will continue to have sizeable export potential in the years to come.

ON NEW STEEL PLANTS

While the production of the integrated steel plants in India is in varying stages of development, three new steel plants are being planned to supplement India's all-round production in the steel sector. The existing integrated steel plants have a total capacity of about 9 million ingot tonnes equivalent to 6.5 million tonnes of finished steel per annum. The expansion of Bhilai and Bokaro being envisaged would make available an additional ingot capacity of 6.25 million tonnes. Besides the expansion of the plants, the rate of capacity utilisation

is also improving up year after year. It is estimated that about 8.8 million tonnes of finished steel would be available by 1978-79.

The three new steel plants which are envisaged to come up soon to supplement the country's steel production are located in Salem, Vishakhapatnam and Vijayanagar.

The special steel project at Salem (Tamil Nadu) is being designed for the production of 195,000 tonnes of sheets and strips a year, comprising 70,000 tonnes of stainless steel sheets, 75,000 tonnes of electrical steel sheets and 50,000 tonnes of other special steel. The Salem project is being implemented in two stages. In the first stage, facilities would be set up for the production of 30,000 to 35,000 tonnes of cold rolling steel sheets and strips initially with imported hot rolled stock followed by the second stage consisting of melting, refining, hot rolling and additional cold rolling facilities required for achieving the targetted production range and capacity.

M/s. M.M. Dustoor & Co., —Consulting Engineers who were appointed for preparing the detailed project report for Salem plant have already submitted their report. Meanwhile the first phase of the project has been taken in hand which envisages the setting up of a cold rolling mill complex for the production of 30,000 to 35,000 tonnes of cold rolled stainless sheets and strips initially with imported hot rolled stock. M/s. Hindustan Steel and Construction Works Ltd. who have been associated with the preliminary work at the Salem steel plant site have taken up site preparation work which is in good progress.

As for the other two new steel plants at Vishakhapatnam and Vijayanagar the Steel Authority of India Ltd., are reported to be taking step for the preparation of the detailed project reports. On present indications these plants are expected to be commissioned only towards the end of Sixth Five Year Plan period.

PRODUCTION TREND IN SELECTED ELECTRICAL INDUSTRIES

Name of Industry	Accounting Unit	No. of Units	Installed Capacity	Production
(1)	(2)	(3)	(4)	(5)
1. Electric Fans	Million Nos.	16	29.91	24.37
2. G.S. Lamps	„ „	14	166.2	140.0
3. Fluorescent Tubes	„ „	12	19.56	15.0
4. Miniature Lamps	„ „	8	62.30	38.00
5. Dry Cells	„ „	11	1281,0	640.0
6. Storage Battery	„ „	7	1.82	1.32
7. Flashlight Cases	„ „	3	12.08	6.31
8. Domestic Refrigerators	Nos.	6	175,800	102,000
9. Room Air-Conditioners	„	7	42,780	30,500
10. Electric Motors	Million H.P.	35	6.115	3.2
11. Industrial Fans & Bowlers and Industrial Air Control Equipment.	Rs. Million	19	90	36
12. Industrial Cooling Towers	„	3	37	22.5
13. Industrial Air Conditioning & Refrigeration Equipment	„	20	272	136
14. ACSR/AAC Conductors	Tonnes	44	109,625	26,000
15. Bare Copper Conductors	„	4	14,200	1,400
16. Enamelled Winding Wires	„	27	20,800	13,000

(1)	(2)	(3)	(4)	(5)
17. Paper Covered Winding Wires	„	24	16,090	5,000
18. PVC Power Cables	Kms.	11	13,709	14,000
19. PILC Power Cables	Kms.	7	9,786	2,400
20. PVC/VIR Cables	Million Core Metres	26	1281.3	530
21. Dry Core Cables & Coaxial Cables	Kms.	1	8,250	3,500
22. Aluminium Wire Rods	Tonnes	12	46,400	30,000

SCIENTIFIC RESEARCH AND PRODUCT DEVELOPMENT

TRAWL DEPTH METER DEVELOPED

During fishing operations, the fishing net is to be lowered to the depth where fish shoals are detected. The position of the net can be altered conveniently by either altering the warp length or the speed of the boat. But this can be done effectively only if the position of the net is known exactly. This instrument "trawl depth meter" measures the trawl depth continuously and instantaneously. In bottom trawl operations, the net should be positioned exactly at the bottom with a critical length of wire rope for efficient operation. For this, Trawl Depth Meter ensures correct length of warp.

The Central Institute of Fisheries Technology, Cochin have developed a trawl depth meter. The instrument consists of an underwater transducer and

an electric indicating meter both being connected through a 2-core PVC insulated and sheathed wire. The transducer converts the hydrostatic pressure (which is proportional to depth) into electrical signals. These signals conveyed through the cable are converted into deflections in a micro ammeter after necessary amplification and detection. The deflections in the meter is calibrated in terms of depth in meters.

This instrument can be used for mid water trawling, bottom trawl operations, naval and oceanographic investigations.

The raw materials required to produce instrument are brass rod, bakelite sheet, Neoprene rubber diaphragm for transducer, PVC insulated and sheathed wire, hand operated winch for handling the wire, microammeter for displaying signals, transformer cover, zener diodes, switches, knobs and so on.

Due to relatively low turn over, the instrument is to manufactured only by firms who have the background, in the production of electronic instruments. No special machinery is required otherwise. The equipment required includes precision lathe with 7 cm chuck, drilling machine, grinder, coil winding machine, machine for moulding the diaphragm.

PROCESS FOR ANILINE

Aniline is an important intermediate required for the manufacture of several dyes, drugs, rubber chemicals and explosives. Large scale production of aniline has been established by Hindustan Organic Chemicals with foreign technology. Their production capacity is 6,000 tonnes per annum. The Fourth Five Year Plan target for this important chemical was 9,000 tonnes per annum. However, the demand is likely to increase considerably during the next few years.

National Chemical Laboratory, Poona, has developed a continuous process for the manufacture of aniline, involving vapour phase catalytic reduction of nitrobenzene. Nitrobenzene and hydrogen are

passed over the catalyst in a shell and tube oil-circulated reactor, at elevated temperature and normal pressure. The products are condensed and the organic layer is separated and fractionated to give pure aniline. Aniline is also recovered from the aqueous layer. The process has been worked out on a pilot plant of 5-6 kg/hour capacity. The product meets the required specifications and is comparable to the imported material.

The major raw materials for the manufacture of aniline are nitrobenzene and hydrogen. The raw materials must be of definite specifications to get desired results, otherwise those have to be purified to the specifications laid down. The main items of equipment are storage tanks, vaporiser, shell and tube reactor, condensers, extraction and distillation columns, heat exchanger, hydrogen gas holder, recycle compressor and pumps. All are indigenously available.

INTERMEDIATES FOR ANTI-ANXIETY DRUGS

2-Amino-5-chlorobenzophenone and 2-methylamino 5-chlorobenzophenone are valuable intermediates for the manufacture of chlordiazepoxide, diazepam, oxazepam and medazepam type of anti anxiety drugs. Small quantities of these compounds are manufactured in the country but the major demand is met through imports. At present 3 to 5 tonnes of 2-amino-5-chlorobenzophenone are being imported. In addition 6 to 10 tonnes of the finished drugs like diazepam and chlordizepoxide are also being imported. It is estimated that future requirements may be of the order of 20 to 30 tonnes per annum for both these compounds.

With a view to making the country less dependent on import, investigations were carried out at National Chemical Laboratory, Poona and a process for the manufacture of these compounds has been successfully developed. The process consists of (a) condensation of p-nitro chlorobenzene with benzyl cyanide in presence of a base of yield 5-chloroanthranil (b) reduction of the anthranil and crystallisation of desired 2-amino-5-chlorobenzophenone from a suitable solvent. The

process for the manufacture of 2-methylamino-5-chlorobenzophene also consists of the same steps with the only change, that an alkylating agent in the second step is added to give 2-methylamino-5-chlorobenzophenone. The process has been worked out at the laboratory scale. Both the compounds have been tested for their melting points, TLC tests and solubility. These compounds have also been tested by a reputed firm of Bombay and have been found to conform to standards.

Benzyl cyanide and p-nitro chlorobenzene are the main raw materials required for the manufacture of these compounds. These are indigenously available. Mild steel reactor with steam jacket and stirrer fitted with condensers and F.P. motor, S.S. centrifuge, M.S. vessel fitted with stirrers, polyethylene lined vessel fitted with condenser for refluxing cum distillation and pressure filter (leaf filter) are the major items of plant and equipment. All these are indigenously available or can be locally fabricated.

FLOCCULATING AGENT FOR SUGAR CLARIFICATION

Separan is used as a flocculating agent to increase the rate of filtration of sugar cane juice in the manufacture of sugar. In terms of the total Indian sugar production, the estimated demand for the Separan substitute could well be of the order of 2000 tonnes per annum. However, due to limited availability of imported product, only a few sugar mills are using Separan type flocculating agents. At present flocculating agents are imported, although it is understood that a Poona firm has started producing Separan type of polymeric material, but its production is limited. The demand in the beginning is likely to be low, but as the material becomes available, an increasing number of sugar mills are likely to use the flocculant. The National Chemical Laboratory (NCL), Poona has developed a process for the production of the material.

In ordinary practice sugar cane juice is limed, treated with sulphur dioxide or carbon dioxide and is then

allowed to stand for the mud to settle down. This settling takes long time and thus further processing like evaporation and crystallisation are slowed down. By adding a small quantity of flocculating agent (2-5 parts per million) after sulphur dioxide or carbon dioxide treatment of juice, settling is speeded up considerably and this leads to quicker processing and per unit time more treated juice is available for sugar manufacture.

NCL process consists of two steps (a) preparation of acrylamide monomer from acrylonitrile and (b) polymerisation of acrylamide in the presence of catalyst followed by hydrolysis with alkali and precipitation of the reaction mass in alcohol. The product is then washed and dried.

National Chemical Laboratory process has been standardized on 6 kg. batch scale. The product has been tested at reputed sugar factories and has been found to compare well with imported product in performance.

Acrylonitrile, sulphuric acid, sodium hydroxide, sodium bicarbonate and ethanol (or methanol make up) are the major raw materials required for the manufacture of flocculating agent. All the raw materials except acrylonitrile are indigenously available. Even acrylonitrile is on the production programme of Indian Petrochemicals Ltd. (IPCL) and will be available from them in the next few years.

The following are the important items of plant and equipment: GL kettles jacketed with stirrer and motor, S.S. kettle jacketed with stirrer and motor, Shelf drier with air circulating pump, Rotary cutter/crusher, Two roll mills, Boiler (steam requirement is limited), Refrigeration unit, Storage vessels and precipitation bins (or tanks). Weighing machine. All these are either indigenously available or can be fabricated locally.

REVIEW OF INDIA'S FOREIGN TRADE

The growth trend witnessed by India's export trade in 1973-74 has continued during 1974-75 also. But

owing to larger growth in imports, the deficit on account of foreign exchange has tended to rise. During 1973-74, exports at Rs. 24830 million recorded an increase of 26 per cent and the rise in imports at Rs. 29210 million by 56 per cent was more pronounced. This has resulted in a deficit of 4380 million as against a surplus of Rs. 1030 million in 1972-73. During 1974-75 the exports were around Rs. 32,500 million representing an increase of about 29 per cent over the preceding year. The total imports in 1974-75 were of the order of about Rs. 43500 million resulting in adverse balance of about Rs. 11,000 million. The trade gap is expected to widen further in the current financial year (1975-76).

During the Fourth Five Year Plan period, Indian exports have been rising year to year. But the growth rate has been uneven varying from a low of 4.1 per cent in 1969-70 to as high as 26 per cent in 1973-74. On an average, the exports during the Fourth Plan as a whole grew at a compound rate of nearly 12.8 per cent per year as against target of 7 per cent annual rate of growth envisaged in the Fourth plan. This uptrend has been maintained equally well during 1974-75 which was the first year of the fifth plan.

The growth in exports during 1974-75, though much below the rate of expansion in imports, was not insignificant when viewed in the context of various constraints of both agricultural and industrial production such as severe power cuts, shortages of essential inputs and transport bottlenecks at various points.

The commoditywise analysis on the basis of statistics available so far for the year 1974-75 showed that in terms of absolute value the major participants in growth have been sugar, engineering goods, jute manufactures and cotton textiles. These four product groups earned as much as Rs. 8890 million during April-December 1974 as against Rs. 5045 million in the corresponding period of the preceding year. The overall export earning of the Indian economy totaled Rs. 23453 million during April-December 1974 as against Rs. 16912 million in the same period of 1973-74.

A steep rise in sugar exports has been largely due to the price boom in the international sugar market coupled with larger quantities of sugar released for exports. The export of sugar during April-December, 1974 was substantially higher by 388,200 tonnes valued at Rs. 1750 million as against 139,500 tonnes valued at Rs. 213 million in the corresponding period of 1973. Iran emerged to be the largest market for Indian sugar followed by the USA.

The exports of Indian engineering goods revealed

continuing uptrend despite the various constraints of export production viz : power shortage and shortage of critical raw material. During the first nine months (April-December) of 1974-75 these exports reached a total of Rs. 2336 million as compared to Rs. 1205 million earned in the corresponding period of 1973-74.

Exports of jute manufactures rose from 458,000 tonnes in April-December, 1974 (Rs 1838 million) to 544,000 tonnes (Rs 2555 million) in the corresponding period of the subsequent year.

The exports of cotton textiles (mill-made) went up substantially to Rs. 2247 million during April-December 1974 from Rs. 1787 million in the same period of 1973. The increase was particularly pronounced in respect of cotton apparel which at Rs. 66 million was sizeably more than Rs. 376 million earned through the exports in the corresponding year of the previous year. In spite of the fact that cotton piece goods, the largest item of the group, suffered a decline in terms of quantum exported (from 490 million sq.meters in April-December 1973 to 290 million sq.meters in the corresponding period of the subsequent year). The value of exports did not decline much (Rs. 1117 million and Rs. 1036 million in the comparable period). This obviously denotes an improvement in the unit value realisation. Exports of cotton yarn, cotton hosiery and other cotton manufactures also registered appreciable increases.

The export performance was also quite significant in respect of other items such as tea (165 million kg at Rs. 1595 million in April-December 1974 as against 149 kg at Rs. 1155 million in the corresponding period of the preceding period), cashew kernels (50,000 tonnes at Rs. 933 million as against 45,000 tonnes at Rs. 630 million), tobacco (61,700 tonnes at Rs. 649 million as against 59,500 tonnes at Rs. 510 million); chemical elements and compound (666 million as against Rs. 219 million); handicrafts (Rs 1644 million as against Rs. 1655 million); lac (Rs. 202 million as against Rs. 95 million); mica (Rs. 141 million as against Rs. 93 million); finished leather (Rs. 233 million against Rs. 102 million); rice Rs. 156 million as against Rs. 12 million).

In contrast with the general rising trend, there was a sizeable decline witnessed in the export of certain important products viz: oil cakes, semi-processed leather (i.e. tanned and chrome tanned), iron and steel and fish and fish preparations. Item like castor oil whose exports have been rising year after year have come to register a declining trend. In 1972-73, its exports

were of the order of 45,700 tonnes (Rs. 226 million). The export-quantum came down to 35,000 tonnes (Rs. 298 million) in the subsequent year. As compared to Rs. 238 million (27,000 tonnes) during April-December 1973, the exports have come down to Rs. 134 million (19,400 tonnes) in the same period of 1974. This shows the gradual decline in the overseas demand for this product.

Another item which witnessed boom over the last 2 years for which the international market has been slackening, is in regard to the group of oil cakes. World demand for this product has come down owing to the reported bumper crop of Soyabean in USA and Canada. The exports of oil cakes amounted to one million tonnes (Rs 748 million) in 1972-73; they were of the order of 1.2 million tonnes (Rs 1706 million) in 1973-74. But these exports touched the low of Rs. 656 million (0.56 million tonnes) during April-December 1974 as compared to Rs. 1200 million (0.85 million tonnes) in the corresponding period of 1973.

Although the exports of finished leather footwear have been improving, substantial decline in some of the processed leather during the period under review in 1974-75 is attributed to the declining demand in Western countries owing to accumulation of stocks, money squeeze and closing of tanneries for fear of pollution. There has also been a keen competition from Argentina, Pakistan and African countries. Almost the same factors such as accumulation of stocks and a tight money situation seem to have influenced adversely the demand for Indian fish in the major importing countries viz: Japan and USA. The deterioration in iron ore exports was mainly on account of problems of railway movement during early 1974. In the case of iron and steel, domestic shortage reduced the availability for exports.

The first nine months of 1974-75 witnessed expansion in India's export trade with all the regions of the world. Amongst the advanced regions exports to the North American countries (USA and Canada) recorded a significant rise from Rs. 2640 million to Rs. 3444 million. The USA was the largest market with an off-take of Rs. 3084 million as compared to Rs. 2417 million in the early period. Indian exports to Western Europe and Eastern Europe was also higher during the first 3 quarters of 1973-74 as compared to the corresponding quarters in the year before. To East Europe the export value improved from Rs. 3544 million to Rs. 4924 million. Russian off-take itself increased from Rs. 2194 million to Rs. 3130 million.

The export value to West Europe rose from Rs. 4397 million during April-December of 1973 to Rs. 5520 million in April-December 1974. Of this the large European Common Market absorbed Rs. 4030 million and Rs. 5074 million respectively. The British Market improved its purchase from Rs. 1858 million to Rs. 2365 million.

The ESCAP region imported more at Rs. 5966

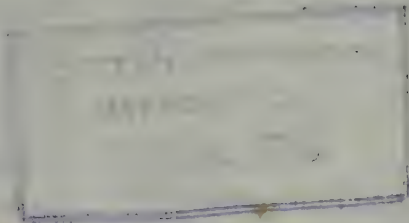
million as against Rs. 4784 million. The major increase in the exports to this region was due to the larger off-take by countries like Iran, New Zealand, Malaysia, Australia and Nepal. The Japanese intake, however, fell from Rs. 2473 million during April-December, 1973 to Rs. 2104 million in the same period of 1974. Among the non-ESCAP countries in Asia, the markets which imported steel from India during the period under review were Dubai, Iraq, Kuwait, Saudi Arabia, Bahrain Islands and Abu Dhabi.

While the above paragraphs review the trend in India's export trade during the first three quarters of 1974-75, the import position is as follows :

The impact of world inflation was felt severely on India's imports during 1974-75. The import value during the first three quarters of the year (April-December 1974) were of the order of Rs. 29280 million showing a rise of 58 per cent over the corresponding period of 1973-74. Commodity-wise available for the first half (April-December 1974) reveals a steep rise in the import of petroleum crude and petroleum products; the CIF unit value of imports of crude during first half of 1974 at Rs. 661 per tonne was almost 4 to 5 per cent higher than the corresponding period of 1973. There have also been a sizeable increase in respect of food grains and fertilisers as well as iron and steel. Imports of food grains at Rs. 2520 million almost doubled. The import of fertilizers increased by 154 per cent to Rs. 1370 million accompanied by 116 per cent rise in prices.

Among other items whose import value increased were chemicals, non-ferrous metals, machinery and transport equipment. The import value of chemicals elements and compounds rose from Rs. 445 million during the first half of 1973 to Rs. 665 million in the same period of 1974. Similarly the import value of iron and steel increased from Rs. 1045 million to Rs. 1635 million; non-ferrous metal from Rs. 615 million to Rs. 840 million, machinery from Rs. 2445 million to Rs. 2720 million and transport equipment from Rs. 400 million to Rs. 468 million.

In the first half of 1974-75 (April-December) India's imports from all the regions increased. The rise in imports from Asia and East Europe was particularly significant. The Asian region became India's foremost supplier accounting for 43 per cent of the country's import trade which was 30 per cent in the preceding year. Imports of Iran, Iraq and Saudi Arabia were substantially higher obviously because of high oil prices. Imports from Japan and Australia were also higher. Western Europe was the next important source accounting for about 21 per cent in India's total import trade. While from West Germany at Rs. 1390 million were higher by 81 per cent, imports from the United Kingdom at Rs. 970 million were lower by 18 per cent. Imports from East Europe almost trebled to Rs. 3290 million. USSR accounted for most of the increase. North America came next and it accounted for 15 per cent of India's total imports.



economic and commercial news

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RAILWAY COACHES TO PHILIPPINES

The Integral Coach Factory, Madras has recently executed an export order for 30 coaches for Philippines National Railways. Of these coaches, twenty five are day coaches and five sleeper coaches. The value of the order is Rs. 22.50 million. In addition, spares of a value of Rs. 2.5 million have also been supplied to the Philippine Railways. The ship loaded with thirty coaches and spares already left Madras port in early May this year.

The Integral Coach Factory is now in a position to manufacture railway passenger coaches of any type to any gauge. The factory made a modest beginning in the export field in 1967 when they successfully exported two bogies (1000 mm) to Royal State Railway

of Thailand. The next year, sixty six bogies were supplied to Union of Burma Railways.

Through the State Trading Corporation of India Limited, the ICF secured an order for the supply of 100 bogies (gauge 1067 mm) to the Taiwan Railway Administration during 1968. This was the first time that rolling stock industry in India was able to establish a foothold in that market. Previously, Japan almost monopolised in supplying the rolling stock requirements to that country and the order secured by ICF was in the face of stiff competition not only from Japan but also from other countries.

ICF also secured another important order for the supply of 45 bogies for Thailand in 1970. This order was also obtained against stiff competition from established rolling stock manufacturers of some of the most industrially advanced countries. The total value of this order to Thailand was Rs. 1.2 million.

An order for supply of 113 commuter cars for Taiwan Railway Administration was also placed on ICF towards the end of 1970.

In 1973, the Madras factory exported four inspection and two caboose coaches and in 1974 some items of spares to the Zambian Railways.

The coaches recently exported to Philippines are similar to those that are in use in India. The design of these coaches is two-fold, namely, day coaches and sleeper on a common shell. The bogies are of all-welded type with rigidly guided axles. Helical springs were used in both primary and secondary suspensions, designed to give good riding comfort consistent with minimum maintenance. These coaches are fitted with air brake similar to what is in existence in Philippines railways. The special features of these coaches include sitting accommodation for 108 passengers in the day coach, sleeper accommodation for 88 passengers in the sleeper coach, wide windows on the sides, incandescent lights and two fixed type ceiling fans for each bay, provision of vestibules at coach ends and use of fibre glass for thermal insulation.

The Integral Coach Factory has thus emerged as a reputed supplier of quality railway coaches from India to varying requirements of the world markets.

WHAT INDIA CAN OFFER TO U.S.A.

The latest issue of Span Magazine (July 1975) carries an item entitled 'What Does America Buy from India'? The magazine states "The American fondness for things Indian isn't confined to yoga, the sitar and mysticism. Americans flock to boutiques like New York's 'Sona, the Golden One' to buy brass and copper artifacts, silk fabrics and other lovely creations of Indian craftsmanship. On the roads, you frequently see 'bikes' from Bombay, shoes from Kanpur, Kashmir woollens and Madras handlooms. And many American homes have Indian

rugs and carpets, embroidered wall hangings and ivory carvings. India sold goods worth Rs. 3650 million to the U.S. in 1973-74, yet ranked only 26th among American's trading partners. This fact reveals, as Dr. Henry Kissinger said last October in New Delhi, what a great potential for Indian exports to the U.S. remains untapped".

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SPOTLIGHT ON INDIA'S ELECTRICAL INDUSTRY 8 ASSOCIATION OF IRON ORE EXPORTING COUNTRIES—A Backgrounder. 10

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Indeed USA is one of India's most important trading partners in the world. It accounted for about 14 per cent for Indian exports and 17 per cent of her imports in 1973-74. Yet Indian share in the USA's annual purchases is less than 1 per cent.

In the profile of Indian exports to USA, jute manufactures occupy pride of place but the share of this product group in the total exports to USA has been dwindling year after year ; it was nearly 50 percent in sixties. Similarly, the significance of other agro-based traditional items has been gradually reduced and the share of non-traditional manufactures has been improving.

In 1973-74, India's export value of jute manufactures to the US market was Rs. 945 million. The exports of cotton manufactures fetched Rs. 394 million, fresh fruits and nuts Rs. 257 million, fish Rs. 224 million, clothing Rs. 160 million, pearls and precious stones Rs. 214 million, coffee Rs. 113 million, sugar Rs. 104 million and spices Rs. 103 million. Other items of exports in 1973-74 were handicrafts, floor coverings, metal manufactures, tea, iron and steel, meat and meat preparations, leather, footwear, mineral manufactures, fixed vegetable oils and fats, non electric machinery, transmission equipment, medicinal and pharmaceutical products and electric machinery and apparatus.

USA was the third best importer of Indian engineering goods next only to Iran and Malaysia in 1973-74. The value of the engineering exports totalled Rs. 103 million. The major engineering items supplied were steel structurals including transmission line towers (Rs. 21 million), hand tools and small tools (Rs. 15 million), EPNS wares (Rs. 9 million), MS pipes and tubes (Rs. 9.7 million), wire ropes and other wire products (Rs. 8.2 million), iron and steel castings (Rs. 5.8 million), bicycles and parts (Rs. 5.4 million), bright steel bars and shaftings (Rs. 4.2 million), wood screws (Rs. 4 million), machine tools (Rs. 4 million) and hardware (Rs. 2.5 million). There are several other engineering products of India which are in growing demand in the US market and they include sugar plant machinery, sanitary ware, diesel engines and parts, electric measuring and con-

trolling equipment, auto parts, radio and parts, fire arms of sport, cutlery and glass utensils.

Indian supplies to USA have thus been witnessing constant shifts in the context of diversification and trade expansion. As Dr. Henry Kissinger is reported to have said, the recent trends in Indian exports to USA amply indicate that "a great potential for Indian exports to the US remains untapped."

ENGINEERING EXPORTS TO WEST EUROPE

Of the nearly Rs. 2000 million worth of export market for India's engineering products during 1973-74, West European countries accounted for 11 per cent at Rs. 215 million. The East European markets also absorbed nearly 11 percent of the total exports of India in the line (Rs. 219 million). But the best customer was the Asian Continent at Rs. 1056 million accounting for 55 per cent of the engineering exports. Of this, the South East Asian market imported worth Rs. 579 million (30 per cent) and the West Asian countries Rs. 476 million (25 per cent).

The British market was the leading customer for India's engineering goods exported from India in 1973-74. In this year the market bought the goods worth Rs. 92 million as compared to Rs. 44.5 million in the preceding year. MS pipes, tubes and fittings constituted the most important line of export and its foreign exchange earnings for India from the U.K. rose nearly eight-fold to Rs. 17 million in 1973-74 from hardly Rs. 2.3 million in the preceding year. There was a similar uptrend in the export of EPNS wares too—from Rs. 2.9 million to Rs. 10.3 million. Besides these two product groups the other principal lines supplied by India to U.K. are handtools and small tools (Rs. 8.7 million), radio and parts (Rs. 6.6 million), auto and auto parts (Rs. 6.4 million), wireless and other electronic equipment (Rs.

6 million), builders' hardware and locks (Rs. 3.7 million), machine tools (Rs. 3.7 million) and diesel engines and parts (nearly Rs. 3 million). There were many more other items exported in bulk and they include fire arms of sports and jute and textile mill machinery, office machinery particularly data processing machines, abrasive and grinding wheels and bicycles and parts.

Next to UK, the Federal Republic of Germany proved to be the important customer in West Europe for the engineering products of India in 1973-74. In this year the German market bought worth Rs. 70 million as compared to Rs. 33.4 million in the preceding year. Auto and auto parts constitute to be the major line of export to West Germany from India (Rs. 31 million). In order of importance, the other exports were handtools and small tools (Rs. 9 million), electric control gears, motors, switchgears and transformers (Rs. 7 million), steel pipes, tubes and fittings (Rs. 5 million), machine tools (Rs. 3 million) and diesel engines and parts (Rs. 2.4 million). The other categories that were prominent in the supply line from India to West Germany were wireless and other electronic equipment, railway signalling equipment, textile machinery, dry and storage batteries, and bicycle parts.

Netherlands offered nearly Rs. 11 million worth of market for the engineering products of India in 1973-74, Handtools, small tools and cutting tools (Rs. 4.2 million), radio and parts (Rs. 2.24 million) and machine tools (Rs. 1.6 million) were the prominent items supplied to this market by India, apart from other exports such as EPNS wares, builders' hardware, bicycles and parts and fire arms of sport.

The French market mainly bought hand tools and small tools, bicycles and parts, MS pipes, tubes and fittings, railway components and auto and auto parts from India in the year under review at a total value of Rs. 10 million.

Belgium purchased the engineering products of India at a value of Rs. 4.6 million, Italy Rs. 7.3 million,

Denmark Rs. 2 million, Switzerland Rs. 2.3 million, Sweden Rs. 6.5 million and Greece Rs. 6 million.

The simple observation that would emerge from the above would be that a wide range of engineering products are being supplied by Indian industry to the world markets even including the sophisticated West European countries. Notwithstanding the industrial progress, the advanced countries have come to depend on the import of labour intensive products of intermediate technology from developing countries like India. Several lines of manufactures are being vacated by the industrially advanced countries in favour of countries like India. This tendency indeed is an assurance of the promising export markets for the engineering products from the Indian economy.

EXPORT PERFORMANCE OF CHEMICALS AND ALLIED PRODUCTS

A sizeable improvement in the export behaviour of chemicals and allied products in India was noticed during 1974-75 as compared to the preceding year. The export value was estimated to be nearly Rs. 905 million during 1974-75 as compared to Rs. 588 million in 1973-74 and Rs. 407 million in 1972-73, according to the information received from the Chemicals and Allied Products Export Promotion Council, Calcutta. Export target for these products for 1974-75 was placed at Rs. 714 million and the estimated value thus revealed that the target has been far exceeded.

The major product group which facilitated the export expansion in 1974-75 related to crushed bones, ossein and fertilizers (including glue and gelatine). The export earning of this group improved year after year —Rs. 66 million in 1972-73, Rs. 126 million in 1973-74 and Rs. 203 million in 1974-75. Next in importance was the group relating to paints, varnishes and allied products. Having

been reduced from Rs. 57 million in 1972-73 to Rs. 50 million in 1973-74, the export value of this group was nearly trebled to reach Rs. 142 million in 1974-75. Plywood and plywood products including wooden furniture also improved their export realisation - from Rs. 17 million in 1972-73 to Rs. 60 million in 1973-74 and Rs. 106 million in the subsequent year.

Automobile tyres and tubes constitute another growth point in the export field. Their overseas sales totalled Rs. 86.5 million in 1974-75 as against Rs. 67.5 million and Rs. 60.5 million in the preceding two years respectively.

The other categories of chemical and allied products that witnessed export uptrend in 1974-75 as compared to the preceding year were rubber manufactured products, footwear, glass and glassware, ceramic, processed minerals and refractories and so on.

EXPORT POSSIBILITIES TO WEST EUROPE

According to a Market Information Survey undertaken by India's Trade Development Authority early this year in Federal Republic of Germany and Italy, Indian exports of castings and forgings have good demand in the State railways, diesel engine industry, and power generation industry in the West European markets.

According to the survey, West Germany and Italy have developed adequate domestic capabilities to meet their demands for ferrous castings and forgings for industrial application. This leaves little scope for countries like India to enter into these markets. Moreover, the recession in automobiles has also rendered surplus of about 30 per cent capacity in these industries. Contrary to the earlier belief that the European forgings and castings industries are closing down due to shortage of

labour and environment pollution, the survey team found that only financially and technically weaker units are closing down. The competent foundries and forges are expanding, and moving more and more towards specialisation and modernisation. This does not leave much scope for Indian products to compete in these two countries.

The Survey Team has found that the Indian prices of cast iron products are competitive and have better scope in West European Markets.

The Survey Team also found that the West European markets do not have much knowledge about the capabilities of Indian industry.

PROSPECTS OF TEXTILES IN DUBAI

If the business response at the recently organised Indian Industrial Exhibition at Dubai is an indication, Indian textiles have promising future in the market of United Arab Emirates (UAE). The Cotton Textiles Export Promotion Council, Bombay which participated in the exhibition has reported that the textile products of India evoked major response from the business visitors of not only Dubai but also from other neighbouring markets. In 1974, the import into Dubai of cotton textiles totalled Rs. 61.96 million while those of readymade garments amounted to Rs. 163.30 million. The market of Dubai, according to the Cotton Textiles Export Promotion Council, offers good scope particularly for India's blended fabrics, readymade garments and household linen. At present India is the leading supplier of cotton piecegoods to Dubai followed by China, Pakistan and Japan. In printed textiles the floral designs and peacock emblems of India have become particularly popular in that market. In superfine fabrics (voiles, lawns and cambric) also India enjoys monopoly supply position.

INDIAN ECONOMY-SIGNS OF RECOVERY

The overall monetary and price situation in the Indian economy is well under control according to India's Finance Minister Mr. C. Subramaniam. Although the price line showed upward trend from the beginning of April, 1975, it has assumed a downward trend of late. The increase in the price index from April 5 to May 31, 1975 was of the order of 2 per cent against an increase of 6.2 per cent in the corresponding period of 1973-74. Also the actual rate of inflation for the year ended May 1975 was 2.8 per cent against 28.5 per cent for the year ended May 1974. India is one of the few countries in the world that had successfully coped with galloping pace of inflation and this fact was appreciated by many representatives of other countries at the recent meeting of the International Monetary Fund, stated the Minister.

Proliferation of money supply during the current financial year is also less than that during the preceding year. Money supply expanded by Rs. 4700 million or by 4.1 per cent between March 28 and May 30, 1975 against Rs. 4980 million or 4.6 per cent in the corresponding period of last year. Bank credit to commercial sector in this period totalled Rs. 2680 million (2.5 per cent) as against Rs. 3370 million (3.6 percent) in the last year.

Apart from the improvement on monetary and price fronts, the economy's export trade continued to exhibit dynamism. In the first month of 1975-76 (April 1975) the exports totalled Rs. 2439.60 million showing a 38.60 per cent rise over the figures of Rs. 1759.60 million in April 1974. The import bill for this month was of the order of Rs. 3039 million as compared to Rs. 3310 million in April 1974.

INDIA'S FOREIGN EXCHANGE RESERVES

During the financial year 1974-75, India's foreign exchange reserves recorded an increase of Rs. 220 million to Rs. 9690 million as compared to the rise of Rs. 101 million in 1973-74, according to the information received from the Reserve Bank of India.

The quadruplicating of oil prices towards the close of 1973, the continued high level of prices of fertilizers and the large scale imports of high priced foodgrains necessitated by the inadequate domestic availability placed India's balance of payments under considerable strain in 1974-75. This has made it incumbent to resort to substantial borrowings from the International Monetary Fund. The drawals from the IMF during the year 1974-75 under the gold and first credit tranches and under the 1974 oil facility totalled Rs. 4850 million. In 1973-74 there was only a compensatory financing drawing of Rs. 620 million from the Fund. But for the drawals from IMF, the foreign exchange reserves of India would have shown a fall of Rs. 4620 million during 1974-75, as against an increase of Rs. 390 million in the preceding year.

The improvement under the country's export earnings and some rise in aid reimbursement receipts were more than offset by the increase in government expenditure including payment to meet cost of high priced food, fertilizers and other essential imports.

During 1974-75 money supply with the public in the country registered a substantial lower expansion (Rs. 6590 million or 6.1 percent) as compared with that in 1973-74 (Rs. 1435.0 million or 15.2 percent). While currency with the public increased only marginally by Rs. 230 million (0.4 percent) which was far smaller than the significant rise of Rs. 8920 million or 16.4 percent during the last financial year, the increase in money supply was mainly on account of deposit money which rose by Rs. 6360 million or 14.1 percent (Rs. 5420 million or 13.7 percent in the preceding year).

Among the factors responsible for the lower rate of growth in money supply, there was a smaller expansion in bank credit to commercial sector (15 percent against 23.3 percent in the last year) and a lower rate of growth in net bank credit to Government (8.4 percent as against 12.2 percent). A sharp fall of Rs. 2810 million in net foreign exchange assets of the banking sector as against a rise of Rs. 1080 million in the previous year and a large increase in time deposits with banks also accounted for the smaller increase in money supply during 1974-75.

‘THIRD WINDOW’ TO BENEFIT DEVELOPING COUNTRIES

The International Bank of Reconstruction and Development (IBRD) has recently decided to open a ‘third window’ for lending funds to the developing countries on a moderate rate of interest and on a medium term basis. This decision was taken at the recent meeting of the World Bank’s Development Committee held at Paris and the ‘third window’ facility is expected to start functioning from July 1, 1975.

The target for lending soft loans to less-developed countries under this facility is \$ 1 billion and the interest rate would be 4 per cent. This facility is to be made available to countries which have per capita income of less than \$ 365. The facility has however been provided for a year only.

The ‘third window’ facility would indeed be of help to India besides other developing countries. According to India’s Finance Minister the ‘third window’ would lend on terms “intermediate” between the World Bank’s conventional 8.5 per cent loans and the soft, interest free credits of International Development Agency (IDA) which carries a service charge of 0.75 per cent with repayment period extended up to 50 years. The repayment period of the ‘third window’ loans would be 20 years.

India’s quota in the International Monetary Fund is to decline from 3.22 per cent to 2.94 per cent under

the current proposals for the sixth revision of the IMF quotas. The International Monetary Fund also decided to increase the quantum of SDRs (special drawing rights) from 32.5 per cent to 39 billion. Though overall quota of OPEC (Organization of Petroleum Exporting Countries) was raised from 5 to 10 per cent but it remained unchanged for developing countries.

Another proposal made at the recent World Bank and IMF meeting was that 20 per cent of the gold with IMF should be handed to the members according to their quotas and 50 per cent of the profits from the sales be constituted into a Gold Fund Trust for helping the poor among the developing nations. But no decision was taken finally on the proposal. As regards the oil facility which was created last year and has continued this year, IMF secured 4 billion SDRs already for the 5 billion facility. India had urged some relaxation of the interest rate and other conditions attached to this facility. Apart from high interest rate of 7.5 per cent, one of the conditions for this facility is that it would be available only when foreign exchange reserves of a country drop below the level obtaining at the end of the previous year. India also urged at the meeting that the oil facility of IMF should be continued for another two years in the context of uncertainty about setting up of a special trust fund. The contention of India’s representative at the meeting was that there had not been sufficient response to it, especially from developed countries to IMF’s appeal for grant for special action to subsidise the interest rate in the case of a lending facility to the poorer countries.

SCIENTIFIC RESEARCH AND PRODUCT DEVELOPMENT

LUMINESCENT GRADE ZINC SULPHIDE

Zinc sulphide is useful in the preparation of a wide variety of luminiscent phosphors like photo luminiscent,

cathode luminiscent and electroluminiscent phosphors. Phosphor grade zinc sulphide is not produced in India.

The hitherto known method of preparing phosphor grade zinc sulphide envisages a high purity of zinc salt as the starting material, passing of a purified hydrogen sulphide gas, collecting the precipitated zinc sulphide and drying it for subsequent treatment to yield the desired luminiscent material. This however suffers from the drawback that the conditions of precipitation and purification to hydrogen sulphide gas are critical.

Keeping all these factors in view investigations were undertaken at Central Electro Chemical Research Institute, Karaikudi, and an easy method of obtaining zinc sulphide phosphor has been successfully developed. The process broadly consists of taking a mixture of soluble zinc salt of AR grade and an organic sulphur compound in aqueous solution at the laboratory temperature and then adjusting the pH to be on alkaline side to get the precipitate of the zinc sulphide by the addition of strong alkali. Instead of soluble zinc salt, the starting material can be zinc oxide. The precipitate is washed with water, with acetic acid and followed by distilled water.

Zinc oxide, acetic, thiourea, alkali and hydrochloric acid are the main raw materials required for this process. All are available in the country.

COPPER TERMINALS BASED ON FIBRE GLASS EPOXY

Fibre glass epoxy based etched copper terminals by manual process have been developed by National Aeronautical Laboratory, Bangalore, for use as fixed terminals for wiring strain gauges. They photo etched are basically copper clad fibre-glass epoxy based sheets, in the desired format. Dimensions of each type of terminal vary from one to six millimetre in length and from one to three millimetre in width.

These terminals can be used as binding posts to interface between the strain gauge leads and circuit wires to protect the strain gauge loads from mechanical damage.

At present indigenous demand is met partly through imports and partly by supplies from National Aeronautical Laboratory, Bangalore.

The main raw materials are fibre glass cloth, copper foil, epoxy, ferric chloride anhydride, release agent, photo resist, photo mask and some process chemicals. Except copper foil, all are available indigenously.

The major equipment required are laboratory oven, ultraviolet light source, vacuum frame and pump and etching tank.

SPOTLIGHT ON INDIA'S ELECTRICAL INDUSTRY

Alongside with the increasing demand for electrical power, the demand for electrical equipment of various types such as generators, transformers, switchgears, transmission line towers and electric motors rose rapidly in the Indian economy. While the heavy electrical industry, mainly in the public sector units, has witnessed rapid progress, the light electrical industry too has come to increase its turnover for a wide range of products such as electrical instruments, lamps, fixed capacitors, condensers and so on. The requirement of equipment for power generating units in India was initially met through imports but in response to the efforts toward indigenisation and import substitution, manufacturing units and generators for large turbines have been established and facilities for domestic manufacture of important accessories like boilers, feed water pumps and electro-static precipitators were also set up. Today the entire demand for generating equipment excepting some hydro-electric generators are met from indigenous sources. Even generators for nuclear power stations are now being supplied by the domestic manufacturers. Development work on 500 MW turbo-generators has already been taken in hand to

ensure that the demand for turbo-generators with higher unit rating would be met indigenously during the years to come.

The transformer industry in India for instance has witnessed such a notable progress tht upto and including 250 MVA have already been manufactured indigenously. The manufacturing range has now been extended to voltage ratings upto and including 400 kV to cater to the requirements of 400 kV trnsformers as a result of introduction of 400 kV transmission line systems. The demand for special types of transformers such as booster and traction transformers for railway electrification, non-inflammable and dry type transformers for mining, furnace transformers for metallurgical industry, rectifier transformers for chemical and electro-metallurgical industries and welding transformers are being manufactured within the country. During 1973-74 the total production of power and distribution transformers in India was of the order of 12.5 million kVA (8.4 million kVA of power transformers and over 4 million kVA of distribution transformers.)

An equally notable progress has been witnessed in the manufacturing capacity of switchgear and motor controlgear industry in India. The expansion of electrical net work and interconnection between the various State grids and generating stations required reliable protection equipment. Introduction of HT transmission voltage demanded protection equipment suitable for operating at those HT voltages. Circuit breakers upto and including 220 kV have already been manufactured in India and have been in operation. The manufacturing range is being further extended to cover circuit breakers of 400 kV. The switchgear industry in the economy also offers auxiliary switchgear and protection equipment such as isolators, lighting arresters, protective relays and instrument transformers. During 1973-74, the estimated production of industrial type LT switchfuse units was 60,000, LT circuit breakers 6900, HT circuit breakers 7000, motor starters 566,200 and contactors 327,100.

The success of the transmission line tower industry

in India is well known the world over. The economy has already emerged as a competent supplier of these towers to remote markets the globe including the most developed countries such as the USA. The experience gained by India in this field has enabled it to offer complete range of transmission line hardware and insulators besides meeting the entire home demand. India's prominent position in the export market can be judged from the fact that it has designed, supplied, erected and commissioned transmission line towers of voltage rating upto 500 kV in various countries. During 1973-74 the production of transmission line towers was of the order of 76000 tonnes.

The cables and wires industry is also well established in the Indian economy and practically all needs of overhead transmission lines and underground transmission and distribution network are met indigenously. In fact in the cable sector, India is one of the pioneering industries in the world to introduce aluminium as conductor for underground cables. The experiments done by the Indian cable industry have found acceptance the world over and PILC/PVC power cables with aluminium conductors are now exported from India to several countries. PILC cables upto and including 11 kV are being progressively replaced by plastic insulated cables such as PVC, polythene and crosslinked polythene. The cable industry in India is also meeting domestic and overseas demand for a variety of cables like mining, trailing, shot firing and aerial cables. The control, welding and house wiring cables manufactured in India have found extensive acceptance in the world markets. Also the increasing demand of sophisticated electrical equipment required usage of winding wires and strips insulated with enamels or covered with paper, cotton and fibre glass. The winding wire industry in the country is also meeting diverse needs.

The electric motor industry is yet another branch where the Indian economy has made sufficient advancement. This branch has successfully faced a challenge posed by the machine building industry catering to several industries such as textile, sugar, chemical, cement

and mining. The motor industry in the country meets the general and special requirements and manufacturing range covers motors from 0.75 watts to 5000 kW for DC machines and upto 10000 kW for AC machines. Motors are also available in various insulation classes, enclosures, mountings and for normal or heavy duty industrial applications. The production of electric induction motors during 1973-74 totalled 2.2 million kW.

Capacitors and condensers are also in the wide range of electricals available in sufficient quantity in India. Capacitors required for power factor improvement with associated control gear are manufactured indigenously for ratings upto 33 kV. Also furnace capacitors, condenser bushings, starting and running capacitors for motors and fans are available from indigenous sources.

The electrical industry in India can offer various ancillary equipment for power generation, transmission, distribution and utilisation of electrical energy. This equipment includes insulators and bushings, diesel generating sets, welding generators, welding transformers, rectifiers, spot welding machines, electric house service meters, measuring and controlling instruments and so on. Domestic electrical appliances, fans, GLS lamps and fluorescent tubes, refrigerators, heating and cooking appliances, storage batteries and dry cells etc. are also manufactured indigenously in substantial quantities and are also being exported in large volume.

The manufacture of electrical equipment conforming to strict standards comparable internationally depends on the availability of raw materials and components. Through planned development India has achieved self-reliance in establishing necessary ancillary feeder industry. The facilities include manufacture of stamping and laminations, insulating materials, epoxy resin, castings and so on.

The electrical industry in India occupies an important position in the country's export context. During

1973-74, the export earnings of electricals, apparatus and appliances amounted to Rs. 303 million of which the share of electric wires and cables was Rs. 115.37 million, electrical power machinery Rs. 44 million, dry and storage batteries Rs. 28 million, electric motors and starters and pumps Rs. 16.30 million. The export of transmission line towers totaled Rs. 24.4 million.

ASSOCIATION OF IRON ORE EXPORTING COUNTRIES— A BACKGROUNDER

The Working Group of the proposed Association of Iron Ore Exporting Countries is to have met in London (during June 25-28, 1975) to complete the necessary preparatory work for convening the first Session of the Conference of Ministers of the Association. India has been functioning as the Coordinator of the Working Group and the Convenor of the first session of the Conference. Indian delegation to the meeting is led by Mr. Y.T. Shah, India's Commerce Secretary.

The Group which was set up by an earlier Ministerial level meeting of the Iron Ore Exporting Countries held at Geneva in early April this year under the chairmanship of Prof. D.P. Chattopadhyaya, India's Commerce Minister, includes Algeria, Australia, India, Mauritania, Sweden and Venezuela. However, the meeting is to remain open to the representatives of Brazil, Chile, Peru, Sierra Leone and Tunisia. It may be recalled that these 11 countries signed the final Act of the Ministerial Meeting in April at Geneva.

The agenda of the meeting includes consideration of the Budget of the first year of the Proposed Association, staff requirements and various other proposals. The statutes of the Association stipulate that it will formally come into force 30 days after seven countries sign the Agreement.

Since last few weeks this Agreement has been kept open for signature in New Delhi. So far three countries, namely Mauritania, Algeria and Venezuela have signed the Agreement.

Other countries including India have also reached an advanced stage of consideration, for affixing their signature to the Agreement. Tunisia have already finalised all formalities for signing the Agreement.

The purpose of forming an Association of iron ore exporting countries is to safeguard their legitimate interest in the present inflationary world situation. Iron ore exports, specially during the sixties, were controlled by the buyer's market, and the export price of ore was not keeping pace with the increasing prices of other commodities including steel.

Iron ore importing countries, being relatively few in number and having further strengthened their negotiating power through establishment of common purchase organisation, were able to influence the long term supply situation, in their favour by their policies regarding purchase of iron ore and investment in mines abroad.

Also, the number of iron ore exporters increased substantially during the sixties and operations grew larger in scale resulting in the supply of iron ore becoming increasingly competitive, to the disadvantage of the seller. In addition, the operation of captive mines in various countries, particularly in West Africa, by developed steel producing countries depressed iron ore prices.

During UNCTAD II held in New Delhi in 1968, the question of uneconomic exports of iron ore by developing countries was taken for discussion and by a Resolution, iron ore was listed among commodities requiring prompt consideration at inter-Governmental consultations, in order to identify the problems faced by this commodity, determine the techniques appropriate for dealing with such problems and agree on suitable remedial measures. The developing iron ore exporting countries met informally during UNCTAD II itself and thought it advantageous to meet and discuss their problems among themselves. These meetings came to be known as meetings of the

Iron Ore Producers Club or Group or Iron Ore Exporting Countries. This Group has over the past seven years met periodically.

At the seventh meeting of the Group in March 1974 the participants reviewed the iron ore export market in detail. They surveyed the development which has taken place in the world with regard to efforts made by countries exporting raw materials to form Groups for protecting their interests. They observed that the copper and bauxite groups were being formed. It was noted that while prices of steel have been increasing steeply over the past few years and that while substantial price increase were noticeable also in the case of associated raw material like cooking coal, iron ore export prices did not get any commensurate benefit. The Group came to the unanimous conclusion that the prevailing mood and tempo of the raw material exporting countries, the boom conditions in the international steel industry and the growing spirit of unity displayed by iron ore exporting countries provide the necessary pre-conditions to form a permanent inter-governmental association of iron ore exporting countries. The Group therefore, recommended that the next meeting could be convened at the ministerial level to give a final shape to this recommendation and that a small working group may do the preparatory work in the ministerial meeting. India was unanimously elected convenor of the working group, with Algeria and Venezuela as other core members. India was also elected coordinator for the ministerial meeting.

The first Ministerial meeting of the Group was held in Geneva in November 1974, under the chairmanship of Prof. D.P. Chattopadhyaya, Minister of Commerce. The Ministers had an exchange of views on trends and long term prospects in the production of and world trade in iron ore, including action for improving the terms, future institutional arrangement and measures for coordination among iron ore countries. Such coordination was considered vital in order to exchange information, to ensure an orderly and healthy growth of export to secure fair and remunerative return, processing and marketing of iron ore and its products

and to contribute to the economic and social development of the exporting countries.

During the discussions the ministers decided to establish a Preparatory Committee of senior officials to examine the form of detailed provision for an Association.

The Preparatory Committee met in New Delhi in January, 1975, under the Chairmanship of Shri Y.T. Shah, India's Commerce Secretary. The committee prepared and agreed upon the text of a Draft Agreement on the establishment of an Association of Iron ore exporting countries for submission to the forthcoming Ministerial meeting.

The next Ministerial meeting was held in Geneva on April 2 and 3, 1975, under the Chairmanship of Professor D.P. Chattopadhyaya. Fourteen countries participated in the meeting. The Ministerial meeting approved the text of the Agreement providing for the establishment of an Association to be known as the Association of Iron Ore Exporting Countries. The statutes stipulated that the Association will formally come into force 30 days after seven countries signed

the agreement. The agreement would remain open at New Delhi for signatures.

The Ministerial meeting also decided to set up a working group consisting of six countries to do the preparatory work for convening the first session of the Conference of Ministers of the proposed Association. Government of India will be the coordinator of the working group and convenor of the first session of the Conference.

The total world production of Iron Ore in 1973 was 794 million tonnes. The production of the signatory countries was 243 million tonnes i.e. 30 percent of the total world production.

World export of Iron Ore in 1972 was 246.50 million tonnes and the share of signatory countries was 189 million tonnes i.e., 76 percent of the total world exports.

India's production of Iron ore in 1973 was of the order of 35.20 million tonnes and export was 21.40 million tonnes. India's share of Iron Ore in world production had been 4.4 percent and share in exports 8.6 percent.

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TRANSPORT EQUIPMENT TO WEST ASIA

M/s. Garden Reach Workshop, Ltd., 43/46 Garden Reach, Calcutta, one of the leading ship builders in India, has recently received an export order from West Asia worth Rs. 27.50 million for transport equipment. The firms' export turn-over during 1974-75 was estimated at Rs. 11 million and in the current year 1975-76, the export realisation is to reach Rs. 17 million.

The workshop has been contributing considerably to the saving of foreign exchange as a result of a large increase of indigenisation. It will be embarking on a significant ship building programme by launching the construction of vessels of 28,000 dwt.

The company recorded an increase in production at a growth rate of over 35 percent from Rs. 167.20 million in 1972-73 to Rs. 228.10 million in 1973-74. The

value of production for the year 1974-75 has been provisionally estimated at Rs. 290 million. The company has a number of expansion programmes in hand including the establishment of a grey iron foundry at Belur, Howrah.

IRON ORE PACT WITH IRAN

Under a long term contract signed recently between India and Iran, India is to supply 220 million tonnes of iron ore concentrates to that country over a period of 28 years. The supply will be at the rate of 7.5 million tonnes of iron ore concentrates in dry-cake form per year to earn over \$ 150 million in foreign exchange every year.

The contract also provides for a long term credit of \$ 630 million by Iran to India to develop the Kudremukh Iron Ore project in Karnataka with a run-of-mine

ore of 20 million tonnes per year and setting up of modern facilities for beneficiation, magnetic separation and conveying of iron ore slurry by pipe line to Mangalore port. At the port the slurry will be filtered and exported.

The contract also provides for suitable escalations in the price to link it with world prices.

EXPORT STRATEGY OF TRADE DEVELOPMENT AUTHORITY

India's Trade Development Authority has succeeded in assisting its clients to achieve an export turnover of Rs. 648.60 million during 1974-75 as against Rs. 453 million in the preceding year. Though relatively small in the context of India's total exports estimated at Rs. 32530 million in 1974-75 the performance of TDA associates in the year was significant in that the products exported such as electronics, bicycles and components as also scientific instruments, represented a new and sophisticated line of export even amongst non-traditional items. Also the markets to which these products were exported were extremely difficult to penetrate. About, 53 percent of these exports were made by the small scale units and 36 percent by medium scale units.

The short term export strategy followed by TDA is to focus on the products needing little or no adjustment on the supply side and to mobilise existing manufacturing facilities for product adaptation so that customer requirements are suited by arranging the supply of samples drawings, specifications and technical know-how. TDA's basic strategy in the long run is to stimulate creation of new products and establishment of export oriented industries with long term overseas marketing tie-ups in areas like electronic sub-assemblies, capacitors, semi conductors, industrial relays, high tensile fasteners, TV picture tubes and cathode ray tubes.

TDA's efforts in developing exports based on the above strategy have indeed proved useful. Over a period

of five years since its inception the Authority had undertaken 102 projects involving creation and expansion of capacity with a dominant export orientation. Apart from the new products like fibre glass, luxury yachts and some categories of electronic instruments and equipment, these projects would also result in the inflow of new technology or increased sophistication and productivity. An illustration in this connection would be the first containerised shipment of 900 bicycles of 10 speed and 5 speed racing and touring models to the

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GENERALISED SYSTEM OF PREFERENCES— REVIEW OF PROGRESS

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USA; this shipment involved the development of indigenous manufacture of multi-speed free wheels, coaster brake hubs and light metal caliper brakes.

TDA is also playing an important role in the establishment of duty free export processing zones in India which would provide facilities for off-shore operations. While Santa Cruz Zone was earmarked for electronic production, other zones would be engaged in the production of a wide range of consumer and industrial products. There are proposals for the setting up of a multiproduct export processing zone at Dum Dum (Calcutta) and a ready made garment export processing zone at Gurgaon (State of Haryana). The facilities that are being offered to foreign entrepreneurs in these zones are comparable to those provided elsewhere in the world.

The facility available in India in the form of inexpensive labour in abundance as also many other infrastructural facilities could be well utilised by foreign entrepreneurs to set up collaborative ventures in the free trade zones. In this context reference can be made to the proposal of TDA on the economic feasibility of setting up a free port at Andaman and Nicobar Islands.

The new style of marketing and management practised by TDA and the close links forged with its enterprising clients are expected to have multi-pronged impact on India's export endeavour in the coming years.

"India's export outlook for 1975-76 has to be one of cautious optimism tempered with realism" stated Mr. Y. T. Shah, Commerce Secretary and Chairman of the Trade Development Authority at its fifth annual general meeting which was held recently. He underlined the need for a massive effort to augment exports in real terms and diversify the composition of the country's exports in the context of changing international demand and price situation. "What we should aim at is a 10 to 12 percent increase in the volume of exports rather than a mere increase in the terms of value".

Surveying the recent developments on the international front, the Commerce Secretary observed that it was very difficult in view of the extreme complexity of the present situation and to foresee the shape that the newly em-

erging international order would take in the years ahead. There has been a fear that the volume of world trade in 1975 might decline in absolute terms if the developed countries continue to be afflicted by stagnant production and investment. However attempts made to the double digit inflation in many of the countries and the receding threat to international liquidity posed by monetary disequilibrium, promised some recovery in the economies of some countries towards the end of 1975 and provide a silver lining in the ambient gloom.

On Indian economic scene the commerce Secretary stated, the economy was not insulated against these international developments. The price of the major Indian imports like food, fuel and fertilizers, which constituted about 50 percent of India's total import bill had recorded substantially larger increases than the global average price rise of 12 percent. As for India's export trade record level of Rs. 32530 million reached in 1974-75 was 29 percent higher than that of 1973-74. The two principal traditional items viz jute manufacture, and tea had recorded substantial increases. Other important items like cotton textiles, engineering goods and handicrafts also fared well. Similarly export performance of other traditional items such as cashew kernels, unmanufactured tobacco, coffee, pepper and mica showed improvements. But the largest increase in export earnings was recorded by sugar owing to an escalation in international demand and rapid spurt in the international prices. Notwithstanding the fact that exports improved to the level of Rs. 7700 million during 1974-75 as compared to the preceding year the country's trade deficit has risen substantially from Rs. 4380 million in 1973-74 to Rs. 10950 million in 1974-75. The trade deficit is likely to recur for some time as the country's import bill would continue to rise. The recessionary tendencies abroad might affect not only Indian exports but also its export price realisation. Also the inflationary tendencies at home might jeopardise the competitive ability of Indian exports stated the Commerce Secretary. He outlined the various measures to stimulate export production in this context. The import policy for 1975-76 has been further liberalised as several innovations have been introduced to make the policy more effective, as also to ensure that export production would not suffer on account of inadequate supply of essential inputs.

TEA EXPORT RISES

The quantum of tea exports from India during the first three quarters of 1974-75 (April-December 1974) was of the order of 1,65,030 tonnes as against 149,390 tonnes in the same period of 1973-74. The foreign exchange realisation on account of this improvement in the quantity exported was equally pronounced—Rs. 1594.46 million as against Rs. 1154.80 million in the comparable periods.

In the first three quarters of 1974-75, the leading importer of tea from India was the UK which absorbed as much as 52,840 tonnes at a value of Rs. 395 million. But the Soviet Union which imported only 33840 tonnes offered a better unit price to fetch Rs. 418 million. The third best importer in the period under review was Netherlands (13,570 tonnes at Rs. 115 million) followed by Iran, ARE, West Germany, Sudan, Afghanistan, USA, Poland and Australia.

On calendar year basis, the import of Indian tea by the UK amounted to 58755 tonnes (Rs. 435 million) in 1974 as compared to 48840 tonnes (Rs. 341 million) in 1973. The total exports to the world market were 205910 tonnes (Rs. 1888 million) in 1974 as compared to 188190 tonnes (Rs. 1427 million) in 1973.

EXPORTS OF LEATHER MANUFACTURES DOUBLED

Exports of leather manufactures have increased two-fold during the first ten months of 1974-75 (April 1974—January 1975) to Rs. 378 million as against Rs. 187.80 million during the same period in 1973-74. On the other hand, exports of semi-processed hides and skins have registered a fall to Rs. 911.10 million during April 1974 to January 1975, as compared to Rs. 1287.90 million in the same period in 1973-74.

This rise in the exports of finished products and fall in semi-processed leathers is in accordance with the

policy of the Government of India. The policy is to change the composition of export trade from export of semi-processed hides and skins to finished leather and leather manufactures. On the recommendations of a Committee which went into the question of promoting foreign exchange earnings from the leather sector, the Government regulated export of semi-processed leather by a quota system since August 1973. The Government has also taken promotional steps to increase production and export of leather manufactures, viz installation of capacity for production of finished leather, automatic licensing, compulsory use of two-third of the import replenishment to be for import of machinery, liberal import of machines, chemicals and dyes and setting up of common facility centres by States to enable small tanners to switch over to production of finished leather.

Between April 1974 and January 1975 the export of E.I. hides and skins stood at Rs. 604.20 million as against Rs. 733.40 million in the previous year. Chrome tanned also registered a fall from Rs. 554.50 million to Rs. 306.90 million during the same period. The percentage of reduction was 45.

On the contrary, during April 1974—January 1975 export of finished leather increased to Rs. 224.20 million from Rs. 80.70 million in the same period in 1973-74; export of leather footwear and components went up to Rs. 113.90 million from Rs. 68.70 million and export of leather goods and manufactures increased slightly to Rs. 39.90 million from Rs. 38.40 million.

The targets of exports for 1974-75 have been fixed at Rs. 1100 million for semi-manufactured leathers and Rs. 900 million for finished and manufactured leather.



INDIAN SPICES POPULAR OVERSEAS

During the first nine months of the year 1974-75, India exported spices worth Rs. 379 million to various countries as compared to Rs. 302 million during the same period last year. During 1973-74 exports of spices were all time high amounting to Rs. 549 million as compared to 290.50 million in 1972-73 and 361.70 million in 1971-72. The target for the export of spices during 1974-75 is placed at Rs. 614 million.

India is the world's largest producer of spices and has been traditionally known as the "Home of Quality Spices". Blessed with the most suitable soil and climatic conditions, India produces best quality of spices, which are supplied far and wide over the globe.

The spices which are exported include pepper, Cardamom chillies, ginger, turmeric and cumin seeds. Indian pepper accounts for 30 to 40 percent of world's production, cardamom more than 60 per cent and turmeric about 80 per cent. The total annual average production of spices in India is roughly estimated at about 0.8 to 0.9 million tonnes.

SIZEABLE TOBACCO ORDER FROM ITALY

The Tobacco Monopoly of Italy has decided in principle to place an order for approximately 2.5 million kg. flue cured virginia (FCV) tobacco worth about Rs. 34 million. In 1974, tobacco monopoly of that country placed an order for 1.6 million kg. at a value of Rs. 16 million.

Thus the breakthrough achieved by India in the export of tobacco to Italy for the first time in 1974 seems to have been maintained in 1975 also.

Even the 1974 order had made Italy the largest continental buyer of Indian tobacco.

A delegation from the Italian Tobacco Monopoly is expected to visit India shortly to inspect the tobacco order and thereafter place the firm order according to the information made available from the Embassy of India in Rome.

PROGRESSIVE TREND IN ENGINEERING EXPORTS TO ASIAN MARKETS

India enjoys over a billion rupee market for its engineering wares in the Asian region. Asia accounted for 55 percent (Rs. 1056 million) of Indian engineering exports in 1973-74 which totalled Rs. 19350 million. Of the total, the South East Asian region absorbed 30 percent (about Rs. 580 million) and the West Asian markets accounted for 25 per cent (Rs. 477 million). From Rs. 72 million in 1960-61 and Rs. 510 million in 1970-71 to Rs. 1056 million in 1973-74, the export volume of Indian engineering products to the Asian countries revealed substantial jumps.

In the South East Asian region, Malaysia and Bangladesh have proved to be the leading customers for the Indian supplies. The Malaysian market imported worth Rs. 113.5 million in 1973-74 as against Rs. 47.5 million in the preceding year. The major lines of supply to the Malaysian market in 1973-74 were boilers, sugar mill machinery, electric control gears and switchgears, fabricated steel structurals, bicycles and parts, chemical plants, auto and auto parts, diesel engines and parts, hand tools and small tools, stainless steel utensils, steel furniture, bright bars and shaftings, sanitary ware fittings, mechanical pumps and iron and steel castings. In fact the Malaysian market is quite aware of the capability of India's engineering industry not only to supply the wares on a competitive basis but also to export technical know how. Of the joint industrial ventures that have been set up abroad with Indian assistance, Malaysia leads the list.

The economy of Bangladesh absorbed the engineering products of India worth Rs. 102 million in 1973-74. The major broad lines of supply were ships fabricated steel structurals, mechanical pumps, jute and textile mill machinery, automobile and parts, radios, trolleys and trailers, aluminium products, MS pipes and tubes, builders' hardware, diesel engine pumps and tea machinery.

Japan imports substantial quantities of selected engineering products from India. Its imports in 1973-74 increased to Rs. 39 million from hardly Rs. 4.5 million in the preceding year. Office machinery particularly data processing machines constituted the major line of supply to Japan apart from bars and copper rods and sheets, hand tools and small tools, machine tools, abrasives and grinding wheels, textile mill machinery, diesel engines and parts, bronze ingots, aluminium foils and auto parts.

Singapore was another important market for engineering products from India in 1973-74. This country imported nearly Rs. 75 million worth of engineering products from India of which iron and steel castings, electric wires and cables, auto and auto parts, bicycles and parts, MS pipes and tubes, wire ropes and hardware were the most prominent.

To Hong Kong, Indian engineering exports worth about Rs. 40 million, mainly comprised bars and copper sheets and circles, electric wires and cables, knitting machines and textile mill machinery, steel pipes and tubes, wire ropes, and iron and steel castings during 1973-74, as in early years.

Auto and auto parts, electrical appliances, dry and storage batteries, diesel engines and parts and MS pipes and tubes were among the supplies effected to Nepal during 1973-74. Nepalese market absorbed Rs. 44 million worth of Indian engineering products.

Sri Lanka is yet another important engineering market for India's engineering wares. A wide range of goods is supplied to this market of which auto and auto parts are particularly significant. The export value in 1973-74 was nearly Rs. 49 million, of which auto and auto parts accounted for Rs. 25.50 million.

Indonesia and Thailand are also among the South East Asian markets for the Indian supplies. While bicycles and parts constituted an important segment of export to Indonesia, Thailand imported a broad range including bright steel bars, hand tools, transmission line towers, diesel engines, bicycles and parts and auto parts.

In the West Asian region, Iran is the most prominent importer of engineering products from India. Its import value was nearly Rs. 144 million in 1973-74. Electric wires and cables, railway wagons and components, bicycles and parts, diesel engines and parts, asbestos cement plant machinery, non ferrous metallic products, MS pipes and tubes, transmission line towers and poles and automobile and auto parts figured prominently in the broad profile of engineering exports from India to Iran.

Iraq is also an important customer in the West Asian region for the engineering products of India. The Iraqi purchases in 1973-74 totalled over Rs. 67 million of which MS pipes and tubes, alone accounted for Rs. 27 million. The other main export products in the year were sanitary fittings, aircrafts and parts, electric fluorescent tubes and lamps, electric control gears and switchgears, bicycles and parts and auto parts.

Saudi Arabia, another prominent customer in the West Asian region purchased the Indian products at a value of Rs. 67 million in 1973-74. The Saudi Arabian purchases mainly centred around MS pipes and tubes, diesel engines and parts, bright steel bars and shaftings, iron and steel castings, auto parts, wire ropes and other wire products and mechanical pumps. The United Arab Emirates has emerged as one of the promising customers for the engineering products of India. This market has imported the Indian goods worth nearly Rs. 60 million in 1973-74. To Dubai, the major supplies in the year were MS pipes and tubes, electric wires and cables, automobile and auto parts, wire ropes, diesel engines, electric fans and parts while to Abu Dhabi, MS pipes and tubes and electric wires and cables accounted for the bulk of the Indian supplies.

Kuwait offered nearly Rs. 42 million worth of a market for the export of engineering products from India in 1973-74. A wide range of engineering goods are imported into this country particularly pipes and tubes, air conditioners and refrigerators, electric fans and parts, electric wires and cables and auto and auto parts.

The above is indicative of certain trends in the economic transformation being witnessed in the South East and West Asian markets. While South East Asia has recognised India as a competent supplier of a wide range of engineering products, the West Asian market has come to look to the Indian industry to meet their requirements especially of building and construction, transport and industrial machinery sectors. No doubt, a good chunk of the engineering exports from India are directed to non-Asian markets also. But the reasons of geographical proximity, growing realisation of each other's needs and capabilities and similarity of product requirements point out to the great future of engineering supplies from India to the South East and West Asian markets alike.

INTERNATIONAL ECONOMIC COOPERATION

IMF'S OIL FACILITY BECOMES OPERATIONAL

The International Monetary Fund has arrived at an understanding with eleven lending parties in connection with the financing of the Fund's Oil Facility for 1975, according to a press release issued by Fund Authorities. In the period ending March 31, 1976, the Fund is to borrow resources from these lenders to finance drawings, under the Oil Facility, to assist members with balance of payments needs in helping to meet the calculated impact on balance of payments in 1975 of higher net import costs of petroleum and petroleum products than those of 1973.

The eleven parties and the amounts that they are to lend, expressed in special drawing rights are as below : Saudi Arabian Monetary Agency : 1000 million SDR; Central Bank of Iran : 410 million SDR; Deutsche Bundes Bank : 300 million SDR; Central Bank of Kuwait : 200 million SDR; Kingdom of the Netherlands : 200 million SDR; Government of Nigeria : 200 million SDR; Central Bank of Venezuela : 200 million SDR; Swiss National

Bank : 150 million SDR; National Bank of Belgium : 100 million SDR; and Austrian National Bank : 50 million SDR. and Bank of Norway 50 million SDR .

Thus the total amount presently Committed by the eleven lenders to the Oil Facility in 1975 is SDR 2,860 million.

IMF is also in contact with other oil producing countries in strong external position which indicated their willingness to make resources available to the Fund for its Oil Facility for 1975. Several lenders have agreed to consider providing further amounts to IMF in the event that the targeted resources for the Oil Facility at SDR 5 billion has not been reached.

Lenders concerned have agreed to lend to the Fund in their national currencies or in some cases in US Dollars. Interest on the borrowing will be at an annual rate of 7.25 percent payable quarterly. Repayment of the loans will generally be made in eight equal semi-annual instalments to commence after three years.

A total of SDR 454 million in resources which were committed to the Fund to finance transactions under the Oil Facility in 1974 and which remained unused is also available to IMF as carry forward for 1975.

On April 6, 1975 IMF announced its decision to make resources available to its members with balance of payments needs. Total access to the facility is determined by a formula under which it will not exceed the lower of 125 percent of a members' quota in the Fund or 85 percent of the calculated increase in a member's oil import cost. Subject to these limits a member's excess will not be less than one third of the increase in its oil import cost nor less than its maximum calculated access under the Oil Facility for 1974.

The period for which drawings under the Oil Facility may be outstanding will be seven years with repayment starting in the third year. Charges on a member's outstanding drawings will average 7.75 percent per year as compared to an average of 7 percent per year for the Oil Facility 1974.:

INDO-BULGARIAN SCIENTIFIC AND TECHNICAL COOPERATION

"We know India from the books of Rabindranath Tagore and Mulk Raj Anand, from the poems of Amrita Pritam, and the films of Raj Kapur, and now we are discovering it anew as a country in which science and technological progress are making rapid strides." This is stated in an article recently received from the Embassy of the Peoples' Republic of Bulgaria in India.

Scientific and technological cooperation between Bulgaria and India has been gaining in scope, depth and diversity. Exchanges are arranged of scientific delegations and specialists, of scientific and technical files, research apparatus and scholarship students. Joint research is undertaken on a number of scientific subjects, many of them of a fundamental nature, in the field of metallurgy, agriculture, space physics, medical equipment, etc. Indian and Bulgarian scientists are working on the following projects: ore-dressing methods, study of various parameters of atmospheric corrosion, adapting instruments and equipment for use under tropical conditions, industrial microbiology and fermentation, cultivation of medicinal plants containing essential oils, ionospheric physics and physics of radio-communications, biological methods of pest control and many others.

On the request of the National Physical Laboratory, New Delhi, the first machine for semi-continuous counter-pressure casting of aluminium alloy sections has been developed in Bulgaria.

The Bulgaro-Indian Commission for Scientific and Technical Cooperation, which is a part of the Bulgaro-Indian inter-governmental committee for Economic, Scientific and Technical Cooperation has recently met and concluded arrangements for expanding cooperation between the two countries in the field of science and technology during 1975 and 1976. A general protocol was also signed which envisages the expansion of bilateral cooperation between research institutes, the exchange of delegations and scholarship students, and of scientific information.

A special protocol on cooperation was signed

between the Indian Botanical Gardens and the Rose Research Institute in Kazanluk. Another protocol established the terms of cooperation between the National Physics Laboratory of India and the central laboratory for space research at the Bulgarian Academy of Sciences. The two countries will set up in India an atmospheric research station fitted with Bulgarian-made equipment. A Bulgarian pilot apparatus will be tested in an Indian rocket. There will be joint projects to study non-conventional energy sources. Arrangements have been made for patent protection in the two countries for projects done by joint research. The protocol makes provisions for the organization of scientific and technical exhibitions in specialized fields, and of joint scientific symposia on subjects of mutual interest.

The exhibition of Indian Science and Technology, organized in Sofia by the Council for Scientific and Industrial Research in India, with the participation of a number of leading scientific organizations, was also a success. This is the first exhibition of its kind to be organized by India in Bulgaria. The visitors were able to see exhibits which illustrate the highest achievements of Indian science and technology in the field of atomic energy and nuclear devices, electronics communications equipment, the pharmaceutical, food and textile industries. During the same time the Indian scientists visiting Bulgaria read lectures at their research institutes and had interesting meetings with their colleagues. The showings of Indian popular science and documentary films during the exhibition also drew a great deal of interest.

The exhibition of Indian science and technology was visited by Stanko Todorov, Prime Minister of Bulgaria, who saw with interest and wrote in the visitors' book that the exhibits testified to the remarkable achievements of the talented Indian scientists, and to their noble ambition to be in the front ranks of scientific and technical progress. He expressed his confidence that the exhibition would be instrumental in promoting Bulgaro-Indian friendship and would help develop and expand scientific and technical cooperation between Bulgaria and India.

INDIAN EXHIBITION AT BANGKOK

An exclusive Indian Trade Exhibition was held at Bangkok, the capital of Thailand, from April 2 to 15, 1975. Some 250 Indian firms were represented at the exhibition and their representatives have reported orders worth Rs. 3.06 million for items such as lathe machines and diesel engines, automobile radiators, hospital and surgical equipment, abrasive grinders and raw material, heavy, duty spring leaves and axles, heavy vehicles and sports, goods. Orders amounting to about Rs. 3 million were also reported to be under negotiations for the items—drilling and milling machines, surgical equipment, household electrical appliances, automobile parts, chemicals, industrial wire and wire nets, abrasive grinders and raw material and fire-fighting equipment. Besides, goods worth Rs. 0.13 million, mostly engineering items on display, were also sold.

In addition to the business transacted and negotiated, the business representatives were also able to appoint nine agencies in Bangkok for import of sophisticated machines, chemicals, fire-fighting equipment, cycle parts, spring leaves and surgical goods from India. There are bright chances for India to sell wide width bleached sheeting cloth, cotton waste blankets, voiles and lawns in the Thai market. Actually some sales have been reported in waste blankets and wide width sheeting during the last one or two months.

The Exhibition created awareness in the Thai market about the technological progress made in India and also generated a keen interest for Indian goods. Bulk inquiries were also received for a number of commodities.

Thailand is in the midst of its Third Social Development Plan which envisages extensive development of infrastructure, expansion of educational facilities, creat-

tion of industrial estates and modernisation of agriculture. Thus, it offers good prospects for Indian goods. Belonging, as it does, to a similar group of economies, India can offer its intermediate technology to Thailand and both the countries can usefully explore further avenues of cooperation.

Thai exports to India totalled Rs. 55.1 million in 1972-73 while her imports from India were of the order of Rs. 56.7 million in the same year. In 1973-74, however, the value of Indian exports was worth Rs. 92.3 million and her imports from Thailand were valued at Rs. 18.1 million. As for the supplies from India to Thailand, the major items in 1973-74 were cotton manufactures, metal manufactures, chemicals, iron and steel, machinery, transport equipment, medicinal and pharmaceutical products, cinematographic films and animal feeding stuff.

INDIAN EXHIBITION IN DUBAI

An exclusive Indian exhibition organised in Dubai during May this year has proved successful from the point of view of business negotiated, good will for prospective trade relations generated and the impact made on the Gulf Countries on India's emerging industrial capability. More than 14 agency arrangements were negotiated in wooden and steel furniture, building materials, sanitary fittings, doors, windows, machine tools, compressors, cement block making machines, diesel pumps and so on. Exhibits worth about Rs. 1 million were sold off and sample orders worth about another Rs. 2 million secured. Also substantial business orders are stated to be in the pipeline for supply of furniture and a large order for expert of designs is under negotiations.

The confidence inspired at the exhibition among the buyers of the Gulf market was also evident by the fact that low cost housing contract has been finalised between Dubai and a firm in Poona. The contract is for the supply of the entire building material for over 1700 houses at an export value of Rs. 400 million.

The display scheme of the exhibition included such selected items as were identified to be the promising

lines in which India could export to Gulf on a competitive basis. Some of the best firms in India were represented at the exhibition and the products displayed included machine tools, compressors, diesel pumps, electrical and electronic hardware, earthmoving equipment, air conditioning equipment, electric fans, mini buses, tippers, building material and accessories, bath room fittings and fixtures, furniture, builders' hardware items, automobile accessories and hospital equipment.

The exhibition was inaugurated by His Highness Sheikh Rashid, Vice President of the United Arab Emirates and ruler of Dubai and was visited among others by leading businessmen of not only Gulf Countries but also neighbouring countries such as Arab Republic of Egypt, Bahrain and Muscat.

A new vista opened up, as a result of the exhibition, was in relation to the large scope that India's entering into joint ventures with the Gulf region in industries such as hand tools, locks, sanitary fittings, steel fabrication, steel bending, civil construction works, fertilizers, news print, sugar, vegetable oils and food canning. The authorities are reported to have acquired confidence in India's sophisticated technology.

India's exports to Dubai are fast growing and in 1974 reached a figure of Rs. 280 million from Rs. 150 million in 1973. In the context of trade with Dubai India has advanced from the 9th place in 1973 to the 5th place in 1974.

GENERALISED SYSTEM OF PREFERENCES

REVIEW OF PROGRESS

The Generalised System of Preferences proposed at the United Nations Conference on Trade and Development in 1964 has come into full force with all the developed countries that agreed to be donors under the proposal for GSP having introduced their individual schemes; following the promulgation of US plan in

April this year, USA too is stated to have introduced its GSP scheme.

Under the GSP schemes, imports for a large number of manufactures and semi manufactures from developing countries are permitted at zero or reduced tariff rates upto a specified maximum amount. The full tariff rates continue to apply to imports from other countries. The assumption of the GSP has been that a preferential treatment of imports from developing countries would promote exports of manufactured and semi manufactured products from these countries *vis a vis* other countries.

According to a study published recently by International Monetary Fund, the anticipated benefits of the GSP have been only partly realised. The basic shortcomings of the various GSP schemes, as implemented, have been the quantitative limitations built into them. These limitations, motivated by domestic considerations in donor countries, have tended, in effect to restrict the import of products in which the developing countries may have a comparative advantage and have reduced the beneficial effects of the preferential tariff cuts. If the size of the quotas is increased and the list of eligible items expanded, the beneficial effects of the schemes would be enhanced for the recipient countries. A relaxation of quantitative restrictions would become all the more important in order to compensate the beneficiary countries for possible reductions because of global tariff cuts that would from result the current Multilateral Trade Negotiations.

Notwithstanding their restrictiveness, the GSP schemes may indirectly stimulate exports from developing countries by drawing attention to the possibility of exporting to developed countries and thereby promoting exports that could take place profitably even over the tariff walls but may not have done so because of market ignorance. Further, importers in donor countries may be induced to establish subsidiary production outlets and marketing channels in the beneficiary countries to take advantage of less expensive sources of supply. However, these indirect economic advantages are unlikely to make up for the basic structural limitations of the schemes implicit in quantitative restrictions and exclusions, according to the article published in the

IMF survey brought out by the International Monetary Fund.

The countries that have put into operation the preferential arrangements for less developed countries include Australia, Canada, the European Economic Community, Japan, New Zealand, the Nordic countries Switzerland and the United States. Some socialist developed countries of Eastern Europe including Bulgaria Czechoslovakia, Hungary and the USSR have also implemented preferential schemes. The UK, Denmark and Ireland replaced their schemes with that of the EEC upon joining it on January 1, 1974.

The GSP scheme under which the above mentioned developed countries provided preferential treatment to imports of manufactures and semi manufactures combine certain basic features-product coverage, depth of tariff cuts, tariff quotas, safeguard measures to protect domestic industry and the rules of origin - in different ways to achieve the objective of increase in exports of less developed countries without materially harming the domestic competitors in the preference granting developed countries.

Australia for instance excludes certain petroleum and oil products, wood and plywood, leather, paper, cotton textiles, clothing, part of footwear, electrical apparatus and transport, where developing countries are considered already competitive. On the other hand it has included 95 agricultural products in its GSP coverage and these included extracts, meat, fish and beverages. The depth of tariff cuts introduced by Australia are 33 to 50 percent below the relevant General Tariff rates. Most of the products covered by the preference scheme are subject to quantitative restrictions. The beneficiary countries under the scheme offered by Australia are 138 developing economies including all of the 'Group of 77'.

Austria in its GSP scheme has excluded cotton textiles, certain chemical preparations, a starch products, and certain organic chemicals. It however included 52

items such as fish, fruits, coffee, tea, spices, and such other preparations. The depth of preferential tariff cuts by this country is to the extent of 30 percent with provision for varying reductions for certain goods and duty free entry for certain others. This country proposed no quantitative restrictions whatever on goods covered by its scheme. The beneficiary countries for its scheme includes 'Group of 77' nations.

Canada has excluded textile products, footwear, part of leather goods and clothing and clothing accessories in its GSP scheme but included 45 items such as canned meat, fruit, processed vegetables and fruits and so on. Its preferential tariff rate is the lower of the British Preferential Tariff or the most favoured nation (MFN) tariff, less one third. No quantitative restriction were proposed by Canada on goods covered by its scheme. The beneficiary countries of its scheme are 140 developing countries and territories including 85 of the Group of 77.

The European Economic Community has covered many products under its scheme excepting textiles, footwear (for some beneficiary countries only) and jute. Fats and oils, fish and meat preparations and cereals are among the products included in the scheme. While its scheme offers duty free treatment to all products falling in BTN-25-99 (Brussels Trade Nomenclature), reduced and varying rates apply to other products. Its scheme imposes maximum amount limitation on sensitive preferred imports ranging between 10 to 50 percent. Imports above the ceiling are subject to MFN (most favoured nation) tariff. The Common Market's GSP is applicable to 131 developing countries including all of the Group of 77.

Japan's GSP excludes petroleum oils, petroleum gases, articles of apparel and clothing accessories of leather from its broad coverage but includes fats, oils meat and fish preparations and beverages. It offers duty free treatment to all but 57 items to which a 50 percent tariff reduction is applied in. It imposes maximum amount limitation applicable to all products giving rise to tariff quotas. The Japanese GSP is applicable to 138 developing countries including all of the Group of 77.

New Zealand excludes wood products, paper, clothing and accessories, some iron and steel products, electrical and non electrical machinery and travel goods. Some agricultural commodities are however included. Except for a few items that are admitted duty free the rest are subject to the British Preferential Tariff. No quantitative restrictions on goods covered by the scheme are proposed by this country. Its scheme is applicable to 140 developing countries including all of the Group of 77.

Finland excludes certain manufactured products of leather, cotton yarn, fabrics and clothing accessories, electrical machinery and toys but includes beverages, processed vegetables and fruits as also fish. It offers duty free treatment to all products covered by its scheme and there are no non-tariff barriers on goods covered by it. Finland's GSP is applicable to 101 countries including all of the Group of 77.

Norway has excluded certain rubber, leather and glassware items. It has also excluded certain textiles, pottery, transport equipment and footwear. Many primary commodities are included in its scheme which offers duty free treatment to all. The Group of 77 countries are among the scheme's beneficiaries.

Sweden has excluded in its scheme cotton yarn, some cotton fabrics, woven fabrics of jute, clothing accessories, footwear and certain chemicals. This country has offered duty free treatment and there are no tariff restrictions. Hereagain, the Group of 77 are among the beneficiary countries.

Switzerland has excluded products of coal and petroleum, certain chemicals, non electrical power machinery, motor vehicles and certain primary items such as fish and meat preparations and, fruits and vegetables as also beverages. This country offers duty free treatment for most of the goods included in the

scheme and 30 percent preferential reduction on others. The beneficiary countries are as in case of Sweden.

U.S.A. has excluded from its GSP, items like textiles, footwear, watches, some steel products, products derived from coal and petroleum and articles already subject to import relief measures. Many primary products that the USA has included in the scheme are meat and fish, vegetables, fruits and their preparations. USA has offered duty free treatment on articles determined eligible under the proposed scheme. It has a tariff quota system. Its scheme is applicable to developing countries and all of the Group of 77 countries and other developing territories except those that grant reverse preferences to other developed countries and members of Organisation of Petroleum Exporting Countries (OPEC).

The above paragraphs briefly indicate the basic features of the Generalised System of Preferences scheme as offered by the various donor countries. All schemes of preferences provide for safeguard mechanisms so that the preference giving countries might retain some degree of control over the trade which might be generated by the new tariff advantages.

To qualify for preferential treatment the goods of the developing countries must satisfy the direct consignment rule and comply with the criteria of origin specified by the importing (preference-giving) countries. In general, goods are considered to have originated in a preference receiving country if they have been produced in that country either wholly or by substantial transformation from materials and components imported. The other main condition for satisfying the requirements, of origin relates to direct consignment. Preferred goods must be consigned directly to the preference giving country from the exporting preference receiving country, the transportation being effected without passing through the territory of any other country. ●

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CONTRACTS FROM PERSIAN GULF FOR CONSTRUCTION

Indian construction companies, both in the public and private sectors, are making big efforts to secure civil engineering construction contracts abroad, specially in the Persian Gulf countries, which are passing through a period of construction boom. Indian firms have already secured construction contracts worth Rs. 430 million in International Airport (Terminal Building), Doha, and Kuwait International Airport and Hydro Project, Sri Lanka. Work on these projects has already started.

Indian companies have also been pre-qualified for some other projects valued over Rs. 3200 million in countries like Iraq, Iran, Bahrein, Libya, and Qatar. They have submitted tender bids in a few cases, results of which are being awaited. Works in which India is seeking involvement relate to construction of airports, shipyards,

dock yards, housing complexes, roads, multi-storeyed car parks and power and irrigation projects.

It has been decided that in respect of big projects, consortium approach should be adopted so that leading firms in the field can come together for taking up the project as one unit.

Government of India have taken a number of steps to assist the construction firms in securing contracts abroad. These include liberal grant of foreign exchange for promotional visits abroad for negotiating contracts or during implementation of the contracts; for purchase of tender documents; for meeting initial expenses abroad and for the payment of commission. Arrangements have also been made to help the parties in securing bid bond and performance guarantees to be given in connection with the overseas contracts. The cover of the Export Credit Guarantee Corporation is available for such contracts. Relevant procedures have been streamlined to ensure prompt Government clearances wherever necessary.

BREAKTHROUGH IN EXPORTS OF RACING BICYCLES

With the first containerised shipment to USA of 900 bicycles of 5 and 10 speed racing and touring models, India can claim to have arrived in the world market for sophisticated bicycles. This consignment has been followed by further shipments of 1100 bicycles of the same models. All the 2,000 bicycles have already reached American customers in New York and have earned foreign exchange worth Rs. 700,000. These shipments form part of an order for 15,000 cycles received by a client of the Trade Development Authority of India from USA.

Equally striking achievements have been recorded by the Indian Cycle Industry with the export of critical components like multi-speed free wheels, coaster brake hubs, three-speed hubs, light-metal caliper brakes and manipulated tubings for bicycle frames to sophisticated markets like West Germany, USA, Belgium, France and Netherlands. It was because of the paucity of these critical components that India had not been able to take advantage of the 'bicycle boom' in the USA. The picture has now changed completely. India is fast catching up with the requirements of American and European markets.

The critical components like Multi-speed Freewheels which are fitted on five and ten-speed bicycles, the Coaster Brake Hubs, the Three-Speed Hubs and the Light-metal Caliper Brakes have been developed, completely with indigenous technology. The Multi-speed Freewheels have already started moving to West Germany for the first time. The quality and performance of the coaster brake hub and light-metal caliper brake has been so impressive that a German buyer has shown interest in booking the entire production on a long-term basis. Another client of TDA will also be exporting for the first time, substantial quantities of manipulated tubings for bicycle frames.

The possibility of exporting assembled frames and a complete bicycle to West Germany on a long-term

basis, is also under exploration. A Dutch model of ladies semi-SLR bicycle fitted with coaster brake hub has already been developed by an Indian firm.

Bicycle exporters of India have also developed a number of components according to the German and Dutch samples and designs. These components are Spokes, Bells, Brake Shoe with Rubber Brake, Rubber Blocks and Front and Rear Hubs. Orders have already

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been received for the newly developed bells and negotiations to supply other items to the West German bicycle manufacturers as original equipment, are in progress.

Of particular significance is the breakthrough achieved in the USA, as it is the largest market for bicycles in the world today. Despite severe recession and inflationary pressures, 14 million bicycles were sold in USA in 1971, 28 percent of which, about 4 million bicycles worth \$225 million were imported. It is estimated that 60 percent of the bicycles sold in the United States are five and ten-speed, 30 percent are of three-speed and the rest are fitted with coaster brakes.

According to the American Bicycle Manufacturers Association, it is estimated that 70 to 80 million Americans who still do not own or ride a bike, represent a potential that is yet to be tapped.

The other supplies to the US market include Japan, Austria, France, UK, Taiwan, Korea, Italy and West Germany. The figures reveal that out of the total imports of 4 million bicycles valued at \$225 million in 1974, imports from India accounted for 8,000 bicycles worth \$337,000. It is expected that the figures of exports of complete bicycles from India to USA will considerably go up in the current year.

INDIAN CARPETS POPULAR ABROAD

Indian wool and woollen products are picking up overseas demand in recent years. The export graph of India's woollen industry is rising year after year. During 1974-75, the industry's total exports reached Rs. 613.20 million from Rs. 535.80 million in 1973-74 and Rs. 482 million in 1972-73 according to the Wool and Woollens Export Promotion Council, Bombay.

Woollen worsted and mixed fabrics, wool and wool blended readymade garments, raw wool, woollen and worsted yarn, woollen blankets, woollen hosiery

goods, shawls and scarves, woollen carpets and druggets, shoddy wool and waste and wool tops are the specific categories of woollen items in overseas demand.

UK, Canada, Sweden, Denmark, Czechoslovakia, USA, USSR, Iraq, Federal Republic of Germany, Muscat, Dubai, Libya, Saudi Arabia, Belgium and France are the leading buyers.

Contributing to the export endeavour of India's woollen sector, M/s. Karsondas Madhavji, 27, Dadabhai Road, Marine Drive, Bombay-20, exported woollen carpets to the tune of Rs. 21 million during 1974-75. Specialised in Persian designs of carpets, the Bombay firm is exporting its carpets to a large number of countries in which Federal Republic of Germany, France and Sweden are the expanding markets. The firm is hopeful of stepping up its exports during this year also.

During 1974-75, India exported woollen carpets and druggets at a value of Rs. 303.50 million accounting for nearly 50 percent of the total exports of the India's woollen industry during the year. Federal Republic of Germany with its intake at Rs. 106 million contributed more than one-third to the total export earnings of the carpet sector. USA at Rs. 98 million was the next best importing destination, followed by Canada, UK, Australia, Belgium and Sweden.

RECENT TRENDS IN INDIA'S EXPORT DESTINATION

During the first half of 1974-75 (April-September 1974), the ESCAP (Economic and Social Commission for Asia and Pacific) region accounted for over 25 percent of India's total exports - Rs. 3820 million out of a total export value of Rs. 15145 million. The share of East European countries was 21.8 percent (Rs. 3300 million) while the European Common Market countries accounted for 21.6 percent (Rs. 3275 million) and North America 16.1 percent (Rs. 2440 million). As compared to the

first half of 1973-74, the corresponding period in the subsequent year has revealed certain interesting developments. There was a hundred percent rise in Indian supplies to the African Continent, the North American share has improved from 14.3 percent to 16.1 percent, ESCAP region's share dwindled from 28 percent to 25 percent, the share of East European countries also decreased from nearly 23 percent to 21.8 percent while that of ECM countries fell from 24.3 percent to 21.6 percent.

U.S.A. which occupied the primary position in absorbing Indian exports in 1969-70 slipped to the secondary position in 1970-71, recovered its foremost position in 1971-72 but fell back to the secondary position in 1972-73 as well as in 1973-74. But in the first half of 1974-75 it proved to be the topmost buyer of Indian goods.

USSR which occupied a tertiary position in 1969-70 jumped up to the first position in 1970-71, slipped to secondary position in 1971-72, recovered the first position in 1972-73 but fell back to the tertiary position in 1973-74. In the first half of the 1974-75, it occupied the secondary position. In this period, UK was the third best importer while Japan was the fourth important market for Indian exports.

The US market which had increased its offtake in the first half of 1974-75 as compared to the corresponding period of 1973-74, has increased its purchases from India by 55 percent. The major items of exports that proved to be responsible for the rise in exports to USA were jute manufactures, sugar, cotton manufactures, fresh fruits and nuts, clothing, crude vegetable materials, pearls and precious and semi-precious stones, metal manufactures and leather.

In respect of USSR the value of exports had risen to 38.4 percent in the first half of 1974-75 as compared to the preceding corresponding period. The major commodities exported to USSR, during 1974-75 were fruits and nuts, jute manufactures, tea, leather, clothing and cotton manufactures, castor oil and sugar.

The UK market consumed over 10 percent of Indian exports during April-September 1974. These exports had gone up by nearly 31 percent in comparison with the corresponding period of the preceding year. The major commodities exported to the British market in 1974-75 were unmanufactured tobacco, cotton manufactures, leather, chemical elements and compounds, crude vegetable materials, fruits and vegetables, crude animal materials and pearls and precious stones.

Japanese purchases were, however, reduced by nearly 18 percent in the first half of 1974-75 in comparison with the corresponding months of the previous year. The decline was mainly on account of reduction in the purchase of jute manufactures, crude animals and vegetable materials, ores and concentrates of chromium and manganese, raw cotton, textiles and yarn and thread, tea and unmanufactured tobacco.

An interesting development in Indian exports to the world markets in 1974-75 was in relation to the affluent Oil Producing and Exporting Countries (OPEC). The exports to these markets picked up well, to the Gulf countries, the supply had almost trebled. To the OPEC region, the export value improved from Rs. 543.30 million in the first half of 1973-74 to Rs. 1610 million in the corresponding period of 1974-75. The major increase in exports was to the direction of Iran. Indian exports to this country rose by 430 percent in the comparable period. While in the first half of 1973-74, Iran absorbed nearly Rs. 130 million worth of Indian goods, the first half of 1974-75 witnessed a considerable improvement in the Indian supplies to Iran at Rs. 689 million. The other OPEC countries, in order of importance who had increased their offtake from India were Iraq, United Arab Emirates, Kuwait and Saudi Arabia. Their offtake during the first half of 1974-75 increased by 189, 228, 145 and 63 percent respectively as compared to the corresponding preceding period. The principal commodities supplied to these countries included sugar, iron and steel, cotton manufactures, tea, jute manufactures, machinery, transport equipment, metal manufactures, unmanufactured tobacco, textile yarn, ores and concentrates, silver, platinum and other materials of platinum group.

AFRICA DOUBLES ITS IMPORT FROM INDIA

The trends witnessed in 1974-75 indicate that the African Continent increased its purchases from India by a little more than hundred percent. While the African countries imported Indian goods worth Rs. 416 million in the first half of 1973-74, they bought worth Rs. 833 million in the corresponding period in 1974-75.

Among the countries that were mainly responsible for the increased offtake by the African Continent from India in 1974-75 were Nigeria, Libya, Mauritius, Dahomey Republic, Ethiopia, Malawi, Kenya, Uganda and Tunisia. There were, however, decreases recorded in Indian exports to countries like Tanzania, Arab Republic of Egypt, Zaire Republic, Zambia, Sudan, Morocco.

The most important market in Africa for Indian goods in the first half of 1974-75 was Sudan. To this market, Indian exports in the first half of 1974-75 amounted to Rs. 255 million as compared to Rs. 63.5 million during April-September 1974. The principal items exported to Sudan in 1974-75 were refined sugar, tea, cotton manufactures and jute manufactures. Some exports were effected in respect of essential oils, machinery including electric apparatus, rubber manufactures and rough wood. The major items of Indian imports from Sudan in the first half of 1974-75 were cotton and natural gums. Indian import fell from Rs. 166 million in the first half of 1973-74 to nearly Rs. 14 million in the same period of 1974-75.

Arab Republic of Egypt is the next best customer for Indian goods in Africa. This country too increased its offtake from Rs. 57 million in the first half of 1973-74 to Rs. 126 million in the same period of 1974-75. Important items of Indian exports to ARE are jute manufactures, tea, natural gums and resins, coffee, non-electric machinery, iron and steel, electric machinery and apparatus, unmanufactured tobacco and spices. As is well known, raw cotton is the major item that India purchased from Egypt.

Kenya was the third best market for Indian products in the first half of 1974-75 at Rs. 75.5 million as against only Rs. 43 million in the same period of the corresponding preceding year. Indian supplies to Kenya in 1974-75 mainly centred round non-electric and electrical machinery, cotton manufactures, chemical elements and compounds, iron and steel, metal manufactures, medicinal and pharmaceutical products, cycles, road motor vehicles and paper. The significant commodities that Kenya exports to India are copper, sisal fibres, wattle bark and some iron and steel items.

The Nigerian market raised its import value from India to reach the level of Rs. 57 million in the first half of 1974-75 as compared to Rs. 49 million in the same period of 1973-74. It mainly imported bicycles, cotton manufactures, electrical machinery, jute manufactures, non-electric machinery, metal manufactures, food preparations, medicinal and pharmaceutical products and road motor vehicles.

Libya constitutes another important market for Indian wares in the African Continent. The Libyan market increased its offtake from India to the tune of Rs. 49 million in the first half of 1974-75 from hardly Rs. 2 million in the corresponding period in 1973-74. The most important lines of Indian supplies to Libya are metal manufactures, iron and steel, unmanufactured tobacco, non-electric machinery, spices including termeric, footwear, electrical machinery and apparatus and readymade garments.

Next to Libya, the United Republic of Tanzania proved to be an important African market for Indian goods in the first half of 1974-75. The major commodities exported by India to the country in this period were jute manufactures, machinery and transport equipment, cotton manufactures, metal manufactures, cycles and medicinal and pharmaceutical products.

To Zambia, Indian exports included cotton manufactures, footwear, road motor vehicles, machinery, transport equipment, textile fabrics, metal manufactures and oilcakes.

Keen demand for a host of Indian products including cotton manufactures, iron and steel, road motor vehicles,

textile fabrics, metal manufactures and readymade garments is noticeable from Mauritius.

AGREEMENT TO ESTABLISH ASSOCIATION OF IRON ORE EXPORTERS

The Agreement establishing the Association of Iron Ore Exporting Countries has been signed recently by Prof. D.P. Chattopadhyaya, India's Commerce Minister. The document has been handed over to India's Minister of External Affairs Mr., Y.B. Chavan, on behalf of India which is the Depositary Statute for the Agreement.

The Agreement was finalised and approved by the Ministerial Meeting of Iron Ore Exporting Countries held in Geneva in April, 1975, under the Chairmanship of Prof. Chattopadhyaya. The Final Act containing the text of the Agreement was signed by eleven countries, namely, Algeria, Australia, Brazil, Chile, India, Mauritania, Peru, Sierra Leone, Sweden, Tunisia and Venezuela.

India has now become the fifth signatory country along with Algeria, Chile, Mauritania and Venezuela. The Agreement was opened in India for signature from May 14, 1975. According to the Statute of the Association, it will formally come into existence 30 days after the signing of the Agreement by seven countries.

Meanwhile, Working Group of the proposed Association has recently met in London under the Chairmanship of Mr. Y.T. Shah, who has been functioning as coordinator at the official level to complete the preparatory work for convening the first Ministerial Conference under the Statute of the Association.

The objectives of the Association of Iron Ore Exporting Countries are, to ensure the orderly and healthy growth of export trade in iron ore, to secure fair and remunerative returns from its exploitation, processing and marketing, and to promote close co-operation among member countries for economic and social development.

INDIA EXPORTS SCIENTIFIC INSTRUMENTS

A good variety of scientific and surgical instruments including mathematical instruments is available for export from India. Way back in 1960-61, there were hardly any exports of these instruments, but in 1970-71 the export value stood at Rs. 5.3 million. In 1973-74, there was a further improvement to the tune of Rs. 7.4 million.

Scientific instruments are mainly exported to Bangladesh, Malaysia, German Federal Republic, Singapore, USA, Iran, Saudi Arabia and Thailand. These instruments secured Rs. 2.75 million in foreign exchange during 1973-74.

Surgical and medical instruments which netted Rs. 3 million during 1973-74 were primarily supplied to Bulgaria, Thailand and Bangladesh. Some supplies were also effected to Hong Kong, Burma, Iraq, Kenya, Denmark, USA and UK.

Mathematical instruments made in India have proved to be particularly popular in the Peruvian, Burmese, Saudi Arabian and Spanish markets in 1973-74. These instruments fetched an export value of Rs. 1.35 million in the year.

A few varieties of musical instruments are also supplied by India to overseas markets. The significant markets being USA, Trinidad, Japan, Singapore, Malawi, UK, Federal Republic of Germany and Canada.

INDO-CZECH TRADE TALKS

Trade delegations of Czechoslovakia and India have met recently, for a mid-term review of the implementation of the Annual Trade Plan for 1975. The two delegations have also discussed the banking arrangements regarding payments in the rupee trade between the two countries.

Czechoslovakia is emerging as a major supplier of fertilizers to India. A contract has already been signed for the supply of 30,000 tonnes of urea this year. Czechoslovakia is an important supplier of newsprint also. A contract for the supply of about 10,000 tonnes of newsprint this year has been signed as compared to the earlier annual supplies of 3,000 to 4,000 tonnes.

Indo-Czech trade is governed by bilateral long-term Trade and Payments Agreement. The current Agreement, which is valid up to December 31, 1979, was signed here in December 1974 by Prof. D. P. Chattopadhyaya, India's Commerce Minister and Mr. Ing. Andrej Barcak, Czech Minister of Foreign Trade.

Within the framework of this long-term Agreement, annual Trade Plans are negotiated every year for imports from and exports to Czechoslovakia. The Trade Protocol for 1975 envisages a total trade turn-over of Rs. 160 million both ways which is slightly higher than last year's trade provision. The implementation of Trade Plan is satisfactory so far.

The major items for India's exports to Czechoslovakia are De-oiled cakes, Cotton seed extraction, Coffee, Iron Ore, Jute manufactures, Castor oil, Tobacco, Mica, Manganese ore, Cotton ready-made garments, including cotton hosiery, Woollen hosiery, some types of engineering goods, Tanned and semi-tanned skins and hides and Cotton yarn.

The major items imported from Czechoslovakia include Steel and steel products, Seamless pipes, tubes and casings, Newsprint, Components, spares, tyres and raw materials for tractors, Capital goods, Organic and inorganic chemicals, Hops, Textile Machinery, Diesel generating sets and spare parts and Machine tools including wood and metal working machinery and welding sets.



MORE FOREIGN EXCHANGE FROM HANDLOOMS

An estimated export value of Rs. 996 million has been realised by India's handloom sector during 1974-75 as compared to about Rs. 596 million in 1973-74, Rs. 485 million in 1972-73 and Rs. 300 million in 1971-72.

The substantial rise in the export realisation during 1974-75 was mainly due to the increase in export of cotton handlooms, particularly made-ups and garments. During this year, the export trade in cotton handlooms totalled Rs. 868 million as against Rs. 766 million in the preceding year.

In 1974-75, exports of handloom cotton fabrics amounted to Rs. 260 million, cotton garments Rs. 500 million and made-ups Rs. 108 million. Silk handlooms secured Rs. 123 million while woollen items fetched Rs. 3.5 million. There were some exports of fabrics based on regenerated fibres also.

The handloom fabrics available for export include Bleeding Madras, real Madras handkerchiefs, lungies and sarongs, dhoties, sarees and shirtings. Cotton handloom non-fabrics that are exported from India mainly comprise cotton floor coverings, bed covers, bed spreads, pillow covers and table cloth, towels and napkins. The exportable varieties of silk goods consist of both mulberry and tassar products while woollen handlooms mainly comprise woollen and worsted fabrics as also blankets.

The handloom sector in India is second only to agriculture in the context of providing employment opportunities. Over 7 million persons are stated to be directly dependent on the handloom sector while about an additional 20 million persons are indirectly employed in units based on the handloom industry. This industry meets nearly one third of the country's requirements of clothing.

In India, there are an estimated 3.56 million handlooms today. The quantity of cotton yarn (in hank

form) consumed by the handloom sector was of the order of 215 million kg (1973). The estimated consumption of cloth by the handloom sector was 2130 million metres in 1973.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

INDIAN COAL INDUSTRY SETS SIGHTS HIGH

The production target of the Coal Industry in India has been set at 100 million tonnes for the year 1975-76, based on encouraging trends witnessed in the first two months of the year showing an increase of 2 million tonnes as compared to the corresponding period of the previous year and the prospect of further improvement in production after the rainy season. The target of 10 million tonnes increase in production during the year would be exceeded, it is hoped.

Production of coal in India, in the first year of its Fifth Five Year Plan, 1974-75, registered a record increase of over 10 million tonnes for a single year, from 77.87 million tonnes in the last year of the Fourth Plan (1973-74) to 88.41 million tonnes. This increase was a little over 13 per cent for the industry as a whole; the increase of Coal Mins Authority being around 15 per cent and Singareni collieries about 16 per cent.

Together with the improvement that has taken place in rail transport of coal in recent months, the demand of all priority sectors are being met in full, besides building of considerable stocks at the consuming end. The average stock held by steel plants is around 7 days' consumption. The power houses have stocks varying between two to four weeks of consumption. The cement plants are having an average of 28 days'

stock. The railways are also in a comfortable position as regards coal. The coal industry is confident, after meeting the full requirements of the coal consuming sectors in the country, that about a million tonnes of coal would be available for exports. Present port facility will only be a limiting factor.

The coal industry is also taking a number of measures for adequate beneficiation of coal. The working of washeries has improved. A large number of mechanised coal handling plants are being installed at the collieries with a view to screening coal and speeding of loading.

CEMENT PRODUCTION IN PUBLIC SECTOR TO BE INCREASED

In order to augment the production of cement in the public sector, the Cement Corporation of India has doubled its resources capital in 1974-75 compared to the preceding year.

At present the Corporation has two factories, one at Mandhar in Madhya Pradesh and the other at Kurkunta in Karnataka, which are in production and each having an annual capacity of 200,000 tonnes. During the year 1973-74, the turnover from these factories was worth Rs. 36.87 million. A production of Rs. 27.16 million came from the Mandhar factory and Rs. 15 million worth from the Kurkunta factory.

The Corporation has three projects under construction located at Bokarjan, Rajban and Mandhar (expansion project). The expansion of the existing Mandhar plant for production of portland cement by utilising blast furnace slag from Bhilai steel plant has already been taken up. Orders for the main plant and machinery have been placed.

The unit at Bokarjan is in an advanced stage of construction. The erection of the plant and machinery has started. It is expected to be commissioned in a couple of months. Orders for the main plant and

machinery for the third project at Rajban have already been placed and it is expected to be commissioned towards the end of 1976.

The Corporation would establish three new projects for manufacture of portland cement at Adilabad, Tandur and Yerraguntla in Andhra Pradesh and at Akaltara in Madhya Pradesh for the manufacture of blast furnace slag cement. These plants will have a capacity of 400,000 tonnes each. The Corporation has already placed orders for the plant and machinery for three of the new units.

The Government has also approved the proposal for the setting up of a new plant at Neemuch in Madhya Pradesh having a capacity of 400,000 tonnes. All these units are expected to commence production during the Fifth Plan period.

INDIA'S FIRST INSTANT TEA PLANT TO BE SET UP

A pilot plant for the manufacture of instant tea is to be set up at Jorhat (Assam) under the sponsorship of India's Tea Board, Calcutta. It will manufacture instant tea from green tea leaves produced in the North East region.

The proposed plant is to be set up with indigenous know-how at Tochlai Experimental Station at Jorhat to collect engineering data and conduct extensive consumer trials.

The Applied Chemistry Department of the Calcutta University has developed the know-how and process to manufacture instant tea from green and black tea leaves. Most of the components required for the plant are to be fabricated indigenously excepting one component-nozzle of the spray dryer which will have to be procured from abroad.

The instant tea developed is readily soluble both in hot and cold water and is difficult to distinguish whether it has been made from instant or normal tea. A method to maintain quality and storage of the instant tea has also been developed.

India is the foremost exporter of tea in the world. During 1973-74, its export earnings from tea amounted to Rs. 1448.50 million. However, in the year that preceded, the exports were slightly more at Rs. 1472.90 million.

Tea of various kinds is supplied to overseas markets. During 1973-74, black tea leaf in bulk alone brought in Rs. 1299 million as compared to Rs. 1333.55 million (1972-73), black tea in packet (upto 2 kg) Rs. 103.35 million against Rs. 89.50 million, green tea Rs. 28.32 million against Rs. 20.10 million and black tea dust in bulk Rs. 17.70 million against Rs. 29.75 million.

United Kingdom was the largest buyer of black tea leaf in bulk during 1973-74 followed by USSR, Netherlands, Arab Republic of Egypt, Federal Republic of Germany, USA, Iran, Afghanistan and Poland.

About 48 countries imported black tea in packet during the year in which Sudan, Dubai, Bahrein Islands, Afghanistan and Qatar were prominent.

For green tea, Afghanistan was the major buyer while for black tea dust in bulk also it topped the list of importing countries.

It is expected that instant tea manufactured in India will have expanding export market when the production starts on regular basis.

PROGRESS OF RESEARCH IN INDIAN RAILWAYS

The Research Design and Standards Organisation (RDSO) which has over the years, developed facilities for dealing with multifarious activities of the Indian Railways in the matter of designs, standards, specifications, inspection, service engineering and consultancy has come to offer its consultancy services to the railway systems in other developing countries also. So far, RDSO has offered its services to Thailand, Phillippines, New Zealand, Iran, Iraq, Jordan, Syria, Saudi Arabia, Egypt, Zambia, South Korea, Sri Lanka and Bangladesh.

The impact of RDSO's work towards indigenisation has yielded fruitful results. A great measure of self-sufficiency has been achieved in the matter of design, manufacture, operation and maintenance of all types of railway equipment and components.

In its work the RDSO maintains close liaison with the national laboratories of the Council of Scientific and Industrial Research (CSIR), the Atomic Energy Commission (AEC), the Defence Research Organisation, Indian Institutes of Technology, the Indian Institute of Science, the Electronic Corporation of India (ECIL), Regional Research Laboratories, each wings of Industries in the public and private sectors and other research and design organisations in India. Contact is also maintained with research development and standardisation organisations of railways abroad.

The railways in India came into existence about 120 years ago in the form of small independent units. Initially, there was hardly any coordination among these units for achieving uniformity in respect of design of rolling stock and other railway equipment and individual company railways were free to develop in their own way. With the growth in traffic, the need for interchange of rolling stock between the various railways increased and underlined the necessity for standardization of permanent way and rolling stock. Standardization of equipment was also of great importance for integrated development of the railways. The first step in this direction was the setting up of the Indian Railway Conference Association (IRCA) in 1903. Under the auspices of this Association, standards committees for various disciplines of railway engineering such as track, bridges, locomotives, rolling stock, signalling, etc, were set up. Subsequently, in 1930, the Railway Board set up the Central Standards Office (CSO) to standardize designs and specifications for all classes of materials, plants and rolling stocks. However, the design of the bulk of railway equipment was still being done by consultants in U.K.

Soon after Independence, (1947) it became apparent that the Central Standards Office was not in a position to deal with all the work arising out of the rapid expansion of rail transport. Besides, there was urgent need to

develop indigenous industries to reduce import of railway equipment. To discharge these responsibilities, the Central Standards Office was expanded, especially its design wings. A separate organization —The Railway Testing and Research Centre (RTRC) - was also set up in 1952 for developmental research and investigation into railway problems. The design and research activities were integrated in 1957 by merging the CSO and the RTRC and creating the Research Designs and Standards Organisation (RDSO). During the short span of its existence, the Research Design and Standards Organisation has developed facilities for dealing with the multifarious activities of the railways in the matter of designs, standards, specifications, inspection, service engineering and consultancy. This organisation functions as adviser and consultant to the Indian Railways and other railways users in technical matters.

The research activities of the RDSO are guided by the Central Board of Railway Research (CBRR) which meets once a year. This Board consists of eminent scientists, engineers, technologists, managers, educationists and senior executives from other research organisations, universities and industries interested in railway technology, materials and equipment. Chairman, Railway Board is the Chairman and Director Research, RDSO is its Member-Secretary. The Board has a tenure of three years and its main functions are (1) to consider and recommend a programme of research on the Indian Railways; (2) to review the progress of the research programme from time to time and (3) to ensure coordination and assistance from other research laboratories in the country.

The Central Board of Railway Research has four subcommittees, on civil engineering, electrical and mechanical engineering, metallurgical and chemical, and signalling and telecommunications consisting of specialists who review the work done by RDSO from time to time.

Standards committees with heads of departments of Zonal Railways as members have been constituted for

each branch of railway technology. RDSO functions as the secretariat for these standards committees. The committees study and discuss designs, drawings, procedures and specifications submitted by the secretariat and make recommendations on them for the consideration of the Railway Board. Through these committees, the work of the RDSO is continuously brought under the scrutiny of technologists who have the responsibility for the practical application of the results of the work.

INDIA ADOPTS DYNAMIC PROGRAMME FOR ECONOMIC DISCIPLINE

“There is only one magic which can remove poverty and that is, hard work sustained by clear vision, iron will and the strictest discipline”, stated India’s Prime Minister while recently announcing an exhaustive economic programme for the country. The programme has been announced in a broadcast to the nation in the wake of emergency declared recently in India.

The first and foremost challenge is on the price front, according to the Prime Minister. Already, the prices of many articles have shown a downward trend. To maintain this trend, Government would take a series of steps to stimulate production, speed up procurement and streamline the distribution of essential commodities, she stated.

“Our outlook in regard to Foreign Exchange resources is reasonably satisfactory. Therefore, where necessary, imports will be arranged so that supplies are sufficient. State Governments have already been asked to advise dealers to display lists of prices and statements of stocks. Hoarders and those who violate the rules will be severely punished.

This anti-inflation strategy has to be continued. Credit must be carefully regulated on a selective basis. Government departments and public enterprises have new orders to cut out inessential expenditure.”

As the vast majority of Indian people live in the rural areas, ceiling laws must be implemented and surplus land distributed among the landless. The programme of providing house sites in rural areas would be vastly expanded. Laws would be introduced to confer ownership rights on landless labourers who have been in occupation of house sites of their landlords over a certain period. Resort to evictions would be sternly dealt with.

The practice of bonded labour is barbarous and would be abolished. All contracts or other arrangements under which services of such bonded labour are now secured would be declared illegal.

The Indian Government also proposes to take action by stages to liquidate rural indebtedness. While new schemes would be drawn up to devise alternative agencies to provide institutional credit to landless labourers, rural artisans and small and marginal farmers who own less than two hectares, there would be a moratorium on suits and execution of decrees for the recovery of debts from such groups, said the Prime Minister.

Agricultural labour is among the worst exploited sections of the Indian society. A review of the existing legislation on minimum wages for agricultural labour would be undertaken and action would be initiated for suitable enhancement of minimum wages, wherever necessary.

“We must go all out to increase production. Water and power hold the key to higher agricultural and industrial output. Steps are being taken to bring under irrigation at least 5 million more hectares of land. Proven underground water-resources will be immediately harnessed and further surveys taken up for irrigation and for the provision of drinking water, especially in drought-prone areas.”

The power position in India has somewhat improved. Action is being taken to generate a further 2600 megawatts. Adequate funds are being provided to implement power projects. For long-term needs, super-thermal stations under the Central Government are being planned. State Electricity Boards are being streamlined.

The handloom industry is next only to agriculture in the number of people employed. Supplies of inputs would be ensured to weavers at reasonable prices. Also, the policy of reservation for handlooms would be rationalised to give greater protection to weavers.

In the mill sector, the controlled cloth scheme is being improved, so that dhotis, saris and cloth will be of better quality and are sold through a larger number of outlets in rural and urban areas.

Legislation was also being initiated, Mrs. Indira Gandhi said, to impose ceilings on the ownership and possession of vacant land, to acquire excess land, to restrict the plinth area of new dwelling units and to socialise urban and urbanisable land. While tax evasion was a crime, a great deal of black money so evaded has gone into luxury housing. Special squads would be set up forthwith to take up property valuation. National campaign against tax evasion and smugglers would also be intensified.

The Prime Minister of India also assured to simplify licensing procedures which have come in the way of new

investment, causing delay. The investment limit of those industries which needed no imports or governmental help, would be raised. At the same time, import-export regulations would be amended as licences were being misused. There would be speedy trials, and penalties for breaking rules would include the confiscation of goods.

Schemes for workers' participation in industries particularly at the shop floor level and production programmes would be introduced.

The movement of foodgrains, coal, steel and cement by railways has improved in the last few months. Constraints on the movement of goods by trucks would also be removed. For this purpose, a system of national permits would be introduced.

Among other economic measures that the Prime Minister has announced were relief to be given to persons with fixed incomes, special distribution facilities of essential commodities to student hostels with a view to helping poor families who pursue higher studies, supply of text books and stationery to students, and steps to increase employment opportunities for educated young people.

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INDIA TO BUILD SHIPS FOR UK

An export order has been recently secured by M/s. Mazagon Docks Limited, Bombay, from the United Kingdom at a value of Rs. 110 million. India was importing readymade ships and shipping accessories from UK for a number of years. This is the first export order that India has secured from its traditional supplier. Earlier, the public sector undertaking had secured export orders worth Rs. 80 million for the construction and supply of two 2500 Dwt cargo vessels for Singapore, 64 barges for Iran and a barge for Saudi Arabia.

M/s. Mazagon Docks Limited Bombay have to their credit construction of a number of luxury-cum-passenger-cum cargo ships, cutter suction and grab hopper dredges, fishing trawlers and barges. Apart from

these, they are also engaged in the construction of frigates for the Indian Navy. Besides ship-building, the company also undertakes ship-repairing assignments. For instance, during 1973-74, it repaired as many as 676 vessels which included about 330 foreign ships. During the year, the company secured foreign exchange valued at Rs. 30.50 million by undertaking repairs on foreign vessels, while in the preceding year its income from such repairs was of the order of Rs. 19.10 million. During 1974-75, its foreign exchange earnings are expected to reach Rs. 100 million on account of ship-building and ship repairs.

The firm has active plans to construct off-shore drilling rigs, off-shore fixed platforms, and semi-submersibles as well as jack-up rigs. It is reported that the firm has already received a letter of intent for fabricating off-shore fixed platforms for M/s. Oil and Natural Gas Commission (ONGC).

TOP FOUR MARKETS FOR INDIAN WARES

USA, USSR, UK and Japan constitute the leading four customers for Indian exports. Their actual position in order of merit, however, changes year to year. In 1969-70, for instance, the primary market for Indian exports was USA at Rs. 2380 million followed by Japan (Rs. 1794 million), USSR (Rs. 1764 million) and UK (Rs. 1650 million). In 1970-71, the Soviet Union emerged as the top buyer at Rs. 2100 million followed by USA (Rs. 2075 million), Japan (Rs. 2035 million) and the UK (Rs. 1705 million). In 1971-72, USA again proved to be the best buyer of Indian wares at Rs. 2630 million followed by USSR (Rs. 2087 million), Japan (Rs. 1823 million) and the UK (Rs. 1687 million). In 1972-73, the Soviet Union once again emerged as the top buyer at Rs. 3050 million followed by USA (Rs. 2756 million), Japan (Rs. 2170 million) and the UK (Rs. 1725 million). In 1973-74, Japan topped the list at Rs. 3550 million followed by USA (Rs. 3430 million), USSR (Rs. 2840 million) and UK (Rs. 2585 million). In the first half of 1974-75, the position was that USA again became the top buyer (Rs. 2173 million) followed by USSR (Rs. 2160 million), UK (Rs. 1550 million) and Japan (Rs. 1390 million).

Thus the order of position has been changing year to year but it has been clearly established that the above four countries constitute the most important markets for Indian exports over the years.

In the first half of 1974-75, there was a substantial increase in the exports to USA as compared to the corresponding period in the preceding year (Rs. 2169 million as compared to about Rs. 1400 million). The export rise was mainly due to the larger off-take of jute manufactures, cotton manufactures, fresh fruits and nuts, clothing, pearls and precious stones, sugar, floor coverings, leather, metal manufactures, works of art, tea, footwear, and fixed vegetable oils. There was also improvement in Indian supplies of non-electric machinery, electric apparatus and iron and steel items.

The Soviet Union also increased its offtake in the first half of 1974-75 at Rs. 2160 million as compared

to Rs. 1560 million in the same period of 1973-74. Products that were responsible for this improvement mainly consisted of fresh fruits and nuts, jute manufactures, tea, leather, clothing, coffee, cotton manufactures and unmanufactured tobacco. Soviet demand increased for many other Indian products, such as, electrical machinery and apparatus, footwear, vegetable oils, mica, paints and varnishes, spices and wool and animal hair.

The British market which accounted for over 10 percent of Indian total exports during April-September 1974 increased its intake from India at about 31 percent

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in this period as compared to the corresponding months of the preceding year. The major commodities exported during 1974-75 were unmanufactured tobacco, cotton manufactures, leather, chemical elements and compounds, crude vegetable materials, crude animal materials, and pearls and precious stones. The British purchases from India amounted to Rs. 1550 million as compared to Rs. 1186 million in the same period of 1973-74.

Japan's purchases of Indian goods had been reduced by 17.6 percent in the first half of 1974-75 in comparison with the same months of 1973-74. Indian exports to this country accounted for 9.2 percent as against 15.7 percent in these respective periods. The decline was mainly on account of reduction in the Japanese purchases of jute manufactures, crude animal and vegetable materials, ores and concentrates of chromium, mixed raw cotton, textile yarn and thread, tea and unmanufactured tobacco. The Japanese offtake amounted to Rs. 1386 million in the first half of 1974-75 as compared to Rs. 1684 million in the same period of 1973-74. The Japanese purchases from India, however, increased in respect of jute manufactures, Bengaldeshi raw cotton, unmanufactured tobacco, pearls and precious stones, non-electric machinery and crude vegetable material.

REASONABLE RAW MATERIAL PRICES FOR DEVELOPING COUNTRIES URGED

While discussing with a visiting Minister from Federal Republic of Germany, India's Commerce Minister, Prof. D.P. Chattopadhyaya has recently made a strong plea to developed countries for ensuring the reasonable price for the raw materials exported by the developing countries. Though India did not want to form cartels of raw material exporting countries for confrontation with the consuming countries, it was imperative that developing countries like India get proper price for their raw material exports. Referring to the imminent formation of the Association of Iron Ore Exporting Countries, in which India took a leading role, Prof. Chattopadhyaya said that the export price of ore in

the past was not keeping pace with the increasing prices of finished commodities like steel. He, however, explained that though such Associations would safeguard the legitimate interests of the exporting countries, they would work in cooperation with the consuming nations.

While agreeing with basic ideas expressed by the Commerce Minister, the Minister of State in the Foreign office of Federal Republic of Germany stated that his country was not in favour of introducing the principle of indexation in international trade, as it might lead to conditional inflationary mechanism and disturb the comparative price stability enjoyed by certain countries like West Germany. The Commerce Minister clarified that India was not advocating for the adoption of indexation but only wanted that while prices of capital goods remained high, raw materials used for producing these goods should also fetch reasonable prices.

The visiting Minister of West Germany explained his country's proposals for the solution of the world energy crisis which would be placed before the next World Energy Conference. The Commerce Minister agreed with the basic ideas expressed by him and emphasised that there should be proper safeguards for the developing countries which were suffering from severe balance of payments problems.

Prof. Chattopadhyaya urged the Government of Federal Republic of Germany as well as the European Economic Community (EEC) to extend the same facilities which they have already forwarded to the African, Caribbean and Pacific (ACP) countries, to other developing countries also. It may be recalled that under the Agreement, between the EEC and ACP countries signed in Lome (TOGO) Convention in February this year, certain products originating in the ACP countries, enjoyed unrestricted duty-free entry into the EEC markets. These were not available to the developing countries in Asia and Latin America.

The West German Minister pointed out, in reply, that his country which was a member of the Working Group of the Lome Convention, advocated a non-discriminatory approach towards all developing countries. He said that West Germany would continue to pursue the same ideas. The Commerce Minister thanked

Federal Republic of Germany for taking up the case of all the developing countries.

Prof. Chattopadhyaya made a reference to the exports of jute goods, carpets and coir products to West Germany and pointed out that there was considerable scope for increasing the quantity of exports of these items. He also mentioned about the scope for intensifying the bilateral negotiations between India and West Germany specially in the field of exports of cattle feed, leather products and some engineering items. Federal Republic of Germany is a member country of the EEC and its trade relations are generally operated through the Commission of the European Communities.

The Federal Republic of Germany is the biggest trading partner in West Europe after the United Kingdom. India's exports to FRG have increased from Rs. 298.90 million in 1969-70 to Rs. 822.50 million in 1973-74. The exports during the first three quarters (April-December) of 1974-75 were Rs. 748.70 million as against Rs. 589.60 million in the corresponding period of 1973-74. However, India's exports formed a negligible proportion (0.14 percent) of West German global imports. This indicates considerable scope for increasing exports to Federal Republic of Germany.

The trade balance between India and the EEC has been persistently adverse to India mainly because of the latter's heavy imports from West Germany. The import figure went up from Rs. 844.40 million in 1969-70 to Rs. 1957.30 million in 1973-74. The figures for the first nine months of 1974-75 were Rs. 2088 million as compared to Rs. 1309.10 million in the corresponding period of 1973-74.

India imports a number of important items from West Germany including machinery, electrical apparatus and appliances, organic chemicals, medicinal and pharmaceutical products and fertilizers. India's average imports during the First Five Year Plan, the Second Plan and the Third Plan periods were Rs. 579.80 million, Rs. 1827 million and Rs. 1758.40 million respectively.

India's exports to West Germany include feed stuff for animals, cotton manufactures and clothing, leather, floor coverings and vegetable materials. Export for feed stuff for animals has shown significant increase

from Rs. 21.60 million in 1972-73 to Rs. 114.20 million in 1973-74. Exports of cotton manufactures and clothing also went up from Rs. 77.90 million in 1972-73 to Rs. 146.10 million in 1973-74.

In addition, there is considerable potential for increase in the exports of electronic components and finished products like auto radios and antennas, hand-knitted woollen carpets, finished leather and leather products, like garments, hand bags, vallets and other equipments and selected engineering products.

INDIAN EXPORTS TO OPEC TREBLED

Recent trends in Indian exports to the affluent Oil Producing and Exporting Countries (OPEC) have indicated that there has been a substantial improvement and diversification in the trade. To the Gulf countries particularly Indian exports have almost trebled, recording a rise of 195 percent during the first half of 1974-75 in comparison to the exports during the corresponding period of 1973-74. (from Rs. 544 million to Rs. 1610 million).

Iran has proved to be the leading buyer of Indian wares in the OPEC region. The exports to Iran rose by 430 percent in the comparable periods—from Rs. 130 million to Rs. 689 million. The other countries in order of importance were Iraq (from Rs. 69 million to Rs. 200 million), United Arab Emirates (from Rs. 58 million to Rs. 190 million), Kuwait (from Rs. 67 million to Rs. 163 million) and Saudi Arabia (from Rs. 93 million to Rs. 151 million).

The principal commodities supplied to these countries include sugar, iron and steel, cotton manufactures, tea, jute manufactures, machinery, transport equipment, metal manufactures, unmanufactured tobacco, textile yarn, ores and concentrates of chromium, platinum and other metals of platinum group.

The Iranian purchases in the first half of 1974-75 improved mainly due to their larger offtake of sugar,

cotton manufactures, tea, jute manufactures, machinery and transport equipment, spices and iron and steel.

The export of cane sugar alone amounted to Rs. 447 million in the first half of 1974-75.

The market of Iraq increased its purchases of a wide variety of Indian wares particularly iron and steel, machinery and transport equipment, jute manufactures, metal manufactures, spices, woven textile fabrics, veneers and plywood boards.

The United Arab Emirates (Abu Dhabi and Dubai) has also come to impart more and large variety of Indian purchases. In the first half of 1974-75, imports of Abu Dhabi mainly comprised lime, cement and fabricated building material and iron and steel tubes and pipes, besides tea and copper. Dubai, however, purchased more varieties including iron and steel, cotton manufactures, inorganic chemicals, ores and concentrates of silver, tea, electric machinery, metal manufactures, jute manufactures, non metallic mineral manufactures, transport equipment and perfumery and cosmetics.

In the first half of 1974-75, Kuwait also increased its purchases from India substantially and the major product groups that were responsible for this growth were electric machinery, rice, iron and steel, fresh and frozen meat, jute manufactures, non-electric machinery, tea and transport equipment.

The Saudi Arabian market absorbed more of Indian goods in the first half of 1974-75 and these included mainly iron and steel, non-electric machinery, cotton manufactures, jute manufactures, cereals and cereal preparations, inorganic chemicals, electric machinery, metal manufactures and unmanufactured tobacco.

To Nigeria, the principal products supplied by India in the first half of 1974-75 were bicycles, cotton manufactures, electrical machinery and apparatus, jute manufactures, non-electric machinery metal manufactures, medicinal and pharmaceuticals products, road motor vehicles and agarbattis.

Libya which has nearly doubled its purchases from India during the first half of 1974-75 as compared to the

same period of 1973-74 (from Rs. 26 million to Rs. 49 million), has enormously increased its import of metal manufactures, iron and steel products, unmanufactured tobacco, spices, machinery and medicines.

Besides the above countries, all the other OPEC markets increased their offtake from India during 1974-75. These countries are Indonesia, Qatar, Algeria, Equador, Venezuela and Gabon. In respect of these countries also, the principal commodities supplied by India were more or less on the lines of supply to the OPEC markets discussed above.

WELLPOINT EQUIPMENT TO USA

In the broad range of engineering exports effected by the Indian Industry to markets overseas, wellpoint de-watering equipment has been introduced recently. M/s. Complete Exports, B-9/20, Vasant Vihar, New Delhi, recipient of a Certificate of Merit from the Engineering Export Promotion Council for Outstanding Export Performance during 1973-74, have made a notable headway in the export trade of this equipment. Although at a modest value, the exports of this firm deserve mention in view of the novelty of the products that they have undertaken to export. In fact, this product was being imported by India till recently for use in large irrigation projects like Bhakhra Nangal Dam. With the successful product promotion of this firm not only valuable foreign exchange is saved by way of import substitution but direct exports have also become possible. The bulk of the firm's exports is in the direction of USA.

The firm has on hand orders for the supply of wellpoint de-watering to public sector projects like Atomic Power Project at Kalpakkam (Tamil Nadu) and Port Trust at Visakhapatnam (Andhra Pradesh).

Besides supplying the equipment to domestic and overseas markets, the firm is also poised for offering consultancy services for the entire range of jobs including study of topography, soil stratification and so on.

The firm's foreign exchange earnings within a short span of two years, since its inception (August 1973) totalled Rs. 0.6 million. Besides USA, the firm is also exploring markets in other countries, particularly, in West Asia.

Wellpoint De-watering system has been adopted in several countries abroad as a practical method of combating water hazard on construction operations. Wellpoint de-watering is effected before the start of excavation. The operator comprises a series of wellpoints each with a riser and a swing joint connected to a common header pipe. Removal of water through the process depresses the normal water table to a predrained gradient. Several cost and design advantages are stated to be present in this system. Any further information required by contractors engaged in construction and irrigational projects may be secured from the firm direct.

INDIAN SUPPLIES TO AUSTRALIA ON THE RISE

Indian exports to Australia registered a 45 percent improvement during July-December, 1974, the first half of Australia's financial year 1974-75 (July 74-June 75). These were valued at A \$ 37 million (A \$ 1 = Rs. 11) (Rs. 40 million) as against A \$ 256 million (Rs. 281.60 million) during the corresponding six months of 1973.

The 45 percent increase compares favourably with the average 28 percent increase achieved by India's total exports to all destinations during 1974-75, according to the information received from the Consulate General of India, Sydney.

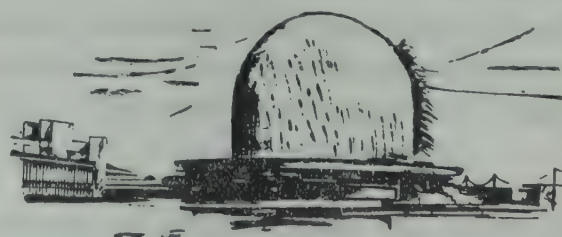
The main products contributing to above increase in the first half of 1974-75 were jute manufactures, carpets, engineering goods, tea, coffee, marine products, sports goods, footwear, imitation jewellery, cashew, crude animal and vegetable material. There were also marginal increases in respect of textiles, textile fibres, ready made garments, precious and semi precious stones, leather and leather manufactures and spices. An export decline was, however, registered in case of medicinal and phar-

maceutical products, coir goods, tobacco and wallnuts.

Footwear exports from India to the Australian market fared particularly well during 1974-75. Despite import quotas on most types of footwear, Indian exports are likely to continue their upward trend as Kohlapuri chappals, a popular variety from India, have been exempted from Australian quotas, stated the Consulate General of India.

The 45 percent increase in the Indian supplies to Australia resulted from higher unit value realisation, cost inflation in Australia and greater awareness among Australian importers and retailers of quality goods available from India at competitive prices. The increase, according to the Consulate General of India, is specially significant when viewed in the light of domestic constraints in India and quotas/licensing control introduced by the Australian Government in May, 1974 which adversely affected Indian exports in certain wearing apparel, towels and footwear.

With a view to staving off competition from less expensive goods from developing countries and also to combat unemployment, the Australian Government resorted to protectionist policies during 1974. Besides these measures, the stringent interpretation of the definition of the term 'handicrafts' proved detrimental to Indian exports, particularly footwear and garments. However, these protectionist measures, according to the information from the Consulate General of India, were avowedly temporary and might be rescinded when better trading conditions would prevail. The recessionary conditions in Australia are likely to taper off by the close of 1975 with the depletion of stocks, increase in consumer spending and an upsurge in economic activity while Indian exports might once again gather momentum, informed the Consulate General of India, Sydney.



INDIA'S EXTERNAL TRADE TRENDS IN RECENT YEARS

The last five years ending 1974-75 have witnessed gradual improvement in India's export trade. At the same time the country's import bill also has mounted up. Thus the imbalance of external trade has widened notwithstanding the improvement in the export earning.

In 1969-70, the monthly average of exports stood at Rs. 1178 million while that of imports was Rs. 1318 million. The monthly averages of exports and imports respectively in 1970-71 were Rs. 1279 million and Rs. 1362 million; in 1971-72 Rs. 1340 million and Rs. 1520 million; in 1972-73 Rs. 1642 million and Rs. 1556 million and in 1973-74 Rs. 2069 million and Rs. 2434 million respectively. In the first half of 1974-75, the monthly average of exports was Rs. 2524 million and that of imports Rs. 3222 million. Thus the imbalances of trade based on the monthly averages mentioned above were Rs. 140 million in 1969-70, Rs. 83 million in 1970-71 and Rs. 180 million in 1971-72. In 1972-73, however, the balance of trade was favourable to India at a monthly average of Rs. 86 million but in 1973-74 the balance was adverse to the tune of Rs. 365 million per month.

Thus the external trade performance of India during the Fourth Five Year Plan period no doubt revealed record of export earnings but at the same time the import bill also mounted up and hence unprecedented widening of the external trade balance.

INDIA WINS BEST INTERNATIONAL PAVILION AWARD

'India Pavilion' in the Zambia (Ndola) Trade Fair has been adjudged best by the Fair Authorities. This is the second time that India has received the award for best International Pavilion in the Fair. Besides, firm inquiries are reported to have been received for a number of non-traditional goods.

India participated in a big way in the Zambia Trade Fair which was held at Ndola from July 3-8, 1975. This was India's third successive participation in the event. The earlier two participations in 1973 and 1974 helped in fostering closer ties in the growing economic and commercial relations between the two countries.

This Fair has yielded sizeable business to India in non-traditional manufactures and also generated favourable climate for the sale of Indian merchandise and consultancy services.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ON NEW ECONOMIC PROGRAMME IN INDIA

While explaining the salient aspects of the new economic programme in India announced by India's Prime Minister Smt. Indira Gandhi (details of the programme were published in the previous issue of this weekly), Mr. C. Subramaniam Finance Minister clarified that the package of the new economic programmes would not in any manner change the social objectives set by the Government of India earlier—establishment of a socialist society, eradication of poverty and the provision of the minimum needs of the large mass of the people and the removal of the disparities that exist in the Indian society and so on. The new economic programme only contains "new methods, new approaches and new instruments to achieve these objectives".

There have been obstacles in the implementation of the declared policies. The emergency declared in the country would provide an opportunity to remove these obstacles first. The new approach envisaged in the economic programme, would deal with problems like economic offences. Various measures are being taken to deal with smugglers, tax evaders and so on, said the Finance Minister. New instruments were also being conceived to bring about a change; for example, various measures like socialisation of urban and urbani-

sable land. Thus the new economic programme announced by the Prime Minister would really be a new approach in certain areas and revitalisation of the old approaches in other areas, so that they yield better results.

The most important problem that the Indian economy has been faced with, is in respect of the price level. This is why the Prime Minister herself gave the highest priority to holding the price line. Unfortunately inflation is an unprecedented world phenomenon. Even in some developed countries it is found that inflation has been going at the rate of 30 to 50 percent, every year, said the Finance Minister. The hard measures that were taken by the Government of India during the last year have come to bear fruits now and in statistical terms the annual rate of increase in the prices was only 1.9 percent upto the week ending June 14, 1975. The various efforts done by the Government of India have been appreciated particularly at International Finance Institutions and at International Conferences but this happy trend would need to be stabilised. "It is not merely holding the price line which is important, but making available to the people sufficient supplies at this reasonable level," said the Finance Minister. This would naturally mean a proper public distribution system of the essential commodities covering the entire population. Invariably, it is not the cost of production that increases the prices, but it is the intermediaries and the distribution system itself. Thus the system would have to be controlled and efficient measures taken towards the purpose. The ultimate objective is to maintain the tempo of falling prices and reach a level where the prices should be stabilised.

Referring to the problem of rural indebtedness and the measures that Government was planning to adopt, the Finance Minister stated that 80 per cent of the country's population is engaged in agriculture and the large masses of poor people were found in that sector. Any meaningful measure to remove poverty would have to be reflected in the lot of the agricultural labour. Although the land held by marginal and small farmers would not be high, the numbers involved would be many and therefore their standard of living should improve before removal of poverty is aimed at.

Keeping this in view the Finance Minister explained the role to be played by the provision of credit to rural section in the new economic programme announced by the Prime Minister. The necessary means to invest, such as, in the form of seeds, fertilizers, chemicals and implementation are also sought to be made available to the rural sector in a larger way than before. Thus the Government was thinking in terms of crediting over 50 regional banks, each bank with their branches serving 10 million of rural population and to provide this important input, namely, rural credit.

Referring to the selective credit policy in the economy as a whole, the Finance Minister stated that the new credit policy introduced by the Government six months ago was not to be misnamed as credit squeeze policy but it was actually a policy of credit planning. The Government would not like to increase the money supplies beyond a certain level as it would cause inflation. Thus if limited resources would have to be used, there would have to be fixed priority into which the credit should be allowed to flow in for the purpose of improving production. A liberal credit policy would not necessarily improve industrial production. In 1973-74, for instance, there was liberal credit policy and money expansion was allowed to take place to the extent of 16 percent but the industrial growth was only less than 1 percent. On the other hand, in 1974-75, when the Government followed a tight money policy, industrial production increased by 3.5 percent. This is why it would be necessary to utilise whatever resources are available in the most efficient and effective way instead of diverting credit to speculative channels.

The emergency declared in India would indeed help the Government in liquidating its new programmes. The new approach is not to be dubbed as anti-democratic. Indeed the objective is to bring about a social transformation which could not be brought about by violent means.



SPOTLIGHT ON FISHERIES DEVELOPMENT IN INDIA

Fisheries have come to play a vital role in Indian economy in recent years. During the Fifth Plan, the production of fish is estimated to increase year after year, and by 1978-79 it is expected to be of the order of 2.77 million tonnes earning foreign exchange at a value of Rs. 1500 million.

During 1974-75, the exports are estimated to be more or less at level during the preceding year. During 1973-74, exports were of the order of 52,300 tonnes valued at Rs. 895 million.

It is targetted that during the current year (1974-75), 522 additional mechanised fishing boats would be introduced. This target is likely to be achieved. The Government of Norway has granted assistance amounting to N. Kr. 2.5 million which is being utilised for the import of fisheries equipment to be used by the State Fisheries Department, Central Fisheries Institutes and Organisations.

Among the various steps to be taken for exploration of resources include arrangements to start new bases in the country. A new base has already started functioning at Paradeep and the other is to be set up at Veral. In regard to inland fisheries, the four Fish Farmers Development Agencies have, by and large, completed preliminary work relating to training of farmers, selection of water areas, etc. It is expected that fish culture will be undertaken in a big way very soon after requisite have been made in the selected water bodies. improve ments

The Central Fisheries Corporation at Calcutta imported fish from Bangladesh at a value of Rs. 29 million till the end of December 1974 against the target of Rs. 35 million. The Corporation is expected to diversify its activities shortly so as to include production of fresh water fish seeds, opening of additional fish procurement and distribution centres, etc.

RUPEE—STERLING EXCHANGE RATE REVISED

The Reserve Bank of India has recently revised its rates for the purchase and sale of pounds sterling for

spot delivery. The new rates for the purpose of buying would be at the rate of £ 5.3907 per Rs. 100 (corresponding to Rs. 18.55 per £) and for selling at the rate of £ 5.3619 per Rs. 100 (corresponding to Rs. 18.65 per £).

The Bank will continue to buy forward sterling for delivery up to nine months at rates to be determined, as hitherto, by adding a margin of £ 0.0125 per Rs. 100 per quarter or part thereof to its spot buying rate. Accordingly, with effect from July 2, 1975, the forward rates would be £ 5.4032; £ 5.4157 and £ 5.4282 per Rs. 100 for delivery up to three months, six months and nine months, respectively. The Bank will also continue to allow, on request, one or more extensions of its forward contracts on payment of a charge of £ 0.0125 per Rs. 100 for each quarter or part thereof, subject to the condition that the total period of delivery should not exceed 12 months from the date of the original contract.

All existing outstanding three months', six months' and nine months' contracts would also be allowed to be extended up to a maximum period of 12 months in all on payment of the above extension charge over the contract rate, for the relevant period.

ANOTHER LARGE CARGO SHIP TO BE BUILT

M.V. "JAG DHARMA", a 21,800 Tonnes Deadweight Multipurpose Bulk Carrier, yet another large vessel so far built in India, is to be launched shortly at Hindustan Shipyard Limited, Visakhapatnam. This ship is the third one so far being constructed for the Great Eastern Shipping Co. Limited, Bombay, in Hindustan Shipyard Limited. Keel for this vessel was laid last month.

M.V. "JAG DHARMA" is a highly automated vessel and fourth of its kind being built in Hindustan Shipyard. She is designed to operate with engine room unmanned, facilitating use of minimum crew. She will be fitted with a 18 cylinder V type single acting,

4 stroke direct reversible; trunk pistons, turbo-charged medium speed marine diesel engine of OEW-SEMT-PIELSTICK make developing 9000 BHP (Metric) at 520 RPM. She will attain a speed of 16 knots on the fully loaded condition.

This is the 69th ship to be launched from the slipways of Hindustan Shipyard. The Shipyard has so far constructed and delivered 66 ships of different sizes, including small crafts, aggregating over 5,95,000 tonnes dead weight. Launching of this ship closely followed the delivery of a sister vessel M.V. "JAG DOOT", the first and biggest so far built in this Yard.

Leading specifications of M.V. "JAG DHARMA" are :

Overall Length 161.54 Metres; Length between perpendiculars 151.45 Metres; Breadth moulded 22.80 Metres; Depth Moulded to upper deck 14.40 Metres; Draught moulded 10.36 Metres; Deadweight 21,800 Tonnes and Classification Llyod's+100A1+LMC "Ice Glass 3" Strengthened for Heavy Cargos"+UMS.

BHEL ELECTRICS FOR INDIA'S LARGEST ALUMINIUM PLANT

India's largest aluminium plant is fast coming up under Bharat Aluminium Company (BALCO) at Korba in Bilaspur District of Madhya Pradesh. The plant, when fully commissioned, will produce 1,00,000 tonnes of virgin aluminium metal per year. Besides being the country's largest aluminium complex, the Korba plant is also the first of its kind in the public sector. This project is to be completed in two phases, the first phase being the 1,00,000 tonnes per annum aluminium smelter plant and the second, the aluminium foundry-cum-fabrication complex. The smelter plant has been recently commissioned. The Bhopal unit of BHEL has executed this contract on a turn-key basis for the Korba Smelter. The work included design, manufacture, erection, testing and commissioning of entire power electrics required for this smelter project.

The supply from BHEL, Bhopal for the smelter complex includes complete equipment for the 220 KV main receiving sub-station and the potline rectifiers. The scope of supply comprises, 4 numbers of 120 MVA, 220 KV/33 KV power transformers, 7 numbers of 220 KV airblast circuit breakers with compressed air equipment, 14 numbers of 220 KV control and relay panels, 21 numbers of 220 KV current transformers, 6 numbers of 220 KV voltage transformers, 30 numbers of 33 KV oil circuit breakers, 27 numbers of 33 KV control and relay panels and 3 numbers of 33 KV voltage transformers for main receiving sub-station.

Besides, BHEL have also supplied various equipment like 220 KV isolators, lightning arresters, steel structures and all other equipment required for outdoor switchyard including earthing equipment, busbars etc. These items have been procured from reputed Indian manufacturers after rigorous testing.

For potline smelter, the supply includes 12 numbers of 24,058 KVA rectifier transformers, 12 sets of 22 KV, 950 V dc rectifier cubicles, 12 numbers of DCCTS, 12 sets of dc isolators, 2 numbers of rectifier control cubicles and 2 numbers of potline instrument cubicles.

The complete erection, testing at site and commissioning has been carried out by the engineers from Bhopal. The system includes supply of power at 220 KV to the switch-yard equipment, then stepping it down to 33 KV and then rectifying it to 950 Vdc. This dc power will be supplied to BALCO's potlines.

The pot room houses two potlines, each having 204 pots rated at 100 KA. Out of the 4 numbers of 120 MVA power transformers, two will feed directly to the potlines through the rectifiers. The third transformer will feed the fabrication shop and other auxiliary units. The fourth transformer will be a live reserve for the other three power transformers. There will be two rectifier stations. Each rectifier station will comprise a bank of six silicon rectifier-transformer sets for each potline. The dc side will have both voltage and ampere hour control from the control room. In each rectifier station five rectifiers will be enough for supplying sufficient dc power and the sixth one will be a live reserve.

BHEL have already made a significant contribution to the growth of aluminium industry in the country, having supplied power rectifier equipment with associated controls to two other major aluminium factories located at Belgaum and Renukoot. Out of the total 9,24,062 KW of rectifier equipment supplied under supply, 6,27,701 kW has been for the aluminium industry alone.

BHEL have already supplied dc drives and controls required for the aluminium rolling mills at Talaja Plant of Indian Aluminium Company Limited.

Such rectifier plants were hitherto imported. With the entry of BHEL into this field, the country has become self-sufficient in the field of large power electrics for the aluminium industry with consequent saving of substantial foreign exchange.

INDO-SOVIET PROTOCOL ON INSTRUMENTATION SIGNED

An Indo-Soviet protocol on supply of latest equipment and technology for the Kota Instrumentation Plant has been signed recently. This protocol will enable speedy supplies by USSR of critical raw materials and urgently required spare parts for the instruments originally supplied by USSR and also for those now being manufactured at Kota.

In order to assess India's futuristic requirements of instruments, the Soviet delegation held detailed discussions with the executives of Instrumentation Limited, Kota and representatives of Steel Authority of India Limited, Indian Oil Corporation, Bharat Heavy Electricals, Engineers India Limited, Fertiliser Corporation of India, Ministry of Energy and power projects. In this connection the Soviet delegation would shortly offer their proposals and products. This offer would be considered after their suitability has been ascertained by the various undertakings for whom those are required.

The discussions also covered increased requirements of instrumentation for the expansion of steel plants at Bhilai and Bokaro. These requirements are,

at present, met by the Instrumentation Limited, Kota but further Soviet assistance would also be required. The Government of USSR has agreed to render all assistance in this regard.

TOWARDS IMPORT SUBSTITUTION IN INDIAN ECONOMY

Notwithstanding the encouraging trends in its export sector, the adverse balance in India's external trade has also been growing year after year. This was largely accounted for by the country's import rising of three major commodities namely, food, fuel and fertilizers. Global increase in oil prices in particular and world inflationary trends in general have had a serious impact on the import structure of the economy.

Certain developments on production front, however, have to lend hope that the mounting import bill will gradually be brought under control. The rabi (winter) crop in the current year, for instance, has revealed encouraging trends. On fuel front, the exploratory work done by the Oil and Natural Gas Commission (ONGC) in on-shore and off-shore projects (particularly at Bombay High) as well as the fuel conservation measures launched by the Government of India, are bound to help in containing petroleum prices. As a measure of self-reliance, manufacture of oil drilling rigs and other equipment for oil exploration is being taken up indigenously by M/s. Bharat Heavy Electricals in the country's public sector. Also the process of substitution of imported fuel for alternative indigenous fuel could be facilitated by the increased production and availability of coal and the momentum with which programmes for switching over from oil to coal are picking up. As regards fertilizers several measures are underway for commissioning of fertilizers projects and for maximising fertilizer capacities within the country. With these steps, the outlook for increased production of fertilizers, particularly the nitrogenous variety, has improved.

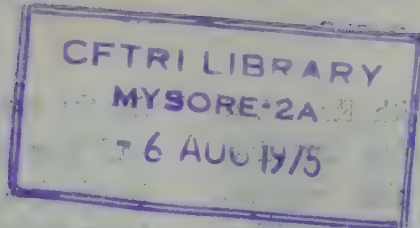
No doubt, the various measures being taken by the Indian Government to contain the import bill on account of food, fuel and fertilizers may yield results in course of time. But the rising import expenditure in other

product areas could not be ignored too. A study made by the Directorate General of Technical Development, Ministry of Industry and Civil Supplies, has revealed that in the annual import value of 1974-75 at about Rs. 43,500 million, the import bill on account of capital goods and other finished engineering and chemical products would be of the order of Rs. 4000 million. The import value of these goods in 1965-66 worked out to Rs. 2000 million when the total import was of the magnitude of Rs. 8000 million. An analysis of the imports of these products undertaken by the DGTD has revealed that by and large their composition is confined to tailor-made equipment and machine tools which have to be allowed for establishment of new capacities, modernization programmes in industries and export oriented schemes. Indeed as the economy registers progress, there would be clear need to contain such imports by examining the import substitution prospects in depth.

The Government of India have initiated several steps both short term and long term with a view to substituting the imports in the capital goods sector. For example, in the coal mining industry the equipment requirements for modernising and expanding collieries have been scrutinised carefully and out of the total requirements of Rs. 3200 million for the current plan (Fifth Five Year Plan), about Rs. 2500 million worth of imports are being deleted and programmed to be made indigenously. The capital equipment requirement of other projects, which are in the public or private sector are thus being critically examined by the D.G.T.D. With a view to avoiding imports of such items as would present a clear indigenous capability, the office of the D.G.T.D. has already compiled a detailed list of raw materials, components and equipment itemwise, the

import of which would be Rs. 5 million and above per year. Besides identifying such production possibilities, ways and means are being explored to establish industrial enterprises by sanctioning new capacities in the concerned lines. Phased manufacturing programmes to improve production projects are also being increasingly enforced to ensure that sizeable deduction in maintenance imports become possible year after year. For instance, non-ferrous metals, particularly, copper and zinc accounted for a large drain on India's foreign exchange. Apart from assisting indigenous production units to step up output of these non-ferrous metals, all possible areas of conservation of these metals through relaxation of specification without affecting quality and safety are being examined closely.

The maintenance import bill for raw materials, components, consumables and spares of these industries which are registered with DGTD (organized sector of industries), worked out to about Rs. 6,000 million in 1974-75. This figure is inclusive of ferrous and non-ferrous metals as also basic chemicals. This much of maintenance of import bill sustained a production rate of about Rs. 70,000 million every year in the organised sector (with the exception of iron and steel textiles, jute, sugar, vanaspati and petroelum) and an export of about Rs. 4,300 million. Thus if the export figure is deducted from maintenance import bill, the net outflow of foreign exchange was not more than Rs. 1,700 million which was less than 3 per cent of the value of production. This would indicate the amount of import substitution already effected in the context of maintenance imports. With increased availability over the coming years of products from basic industries such as steel, non-ferrous metals and basic chemicals, there should a further fillip to import substitution in the Indian economy.



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INDO-MALAYSIAN JOINT VENTURE

The Indo-Malaysian joint venture for glass manufacture in Malaysia was inaugurated recently (July 4, 1975) by the Malaysian Minister for Agriculture and Rural Development. Named as the MCIS Safety Glass Sdn Bhd, the joint venture is a collaboration project between the Malaysian Cooperative Insurance Society Limited and M/s. Hindustan Safety Glass Works Pvt. Ltd. Calcutta. The Ministry of Trade and Industry of Malaysia has granted pioneer status to this venture in the field of glass manufacture.

The project was initiated in the year 1973 and the factory was constructed in the following year with a number of machines and equipment installed. The successful trial runs were held in November and December 1974. The factory entered into commercial production in January 1975. (The details about the project were published in this weekly Vol. IV, No. 52. December 28, 1974 at page No. 5)

The total production capacity of the glass plant is 600,000 square feet of toughened glass per annum on a single shift basis. Besides catering to the domestic demand, the plant is expected to spare surplus output for export to neighbouring countries. The range of production of the plant includes automobile glass, toughened glass (curved and straight), laminated glass (curved and straight), anti-glare mirrors and quality mirrors.

The unit is now fully manned by Malaysians. Three members of the factory staff were imparted training at Calcutta. The initial production of the plant of toughened glass is being marketed under trade mark 'Safex' which has been well received in the home market.

Including this, the total number of joint ventures in Malaysia is 22.

India is already exporting a variety of glass and glassware to overseas markets. During 1973-74, Indian Glass Industry earned foreign exchange

worth Rs. 37.40 million in comparison with Rs. 27.90 million during the preceding year. During the first half of 1974-75 (April-September 1974), the exports brought in foreign exchange worth Rs. 24.40 million as compared to Rs. 15.65 million during the same period of 1973-74.

During 1973-74, Iran, Indonesia, Nigeria, Malaysia, Singapore, Mauritius, Bangladesh, and USA were the major markets for glass. In the same year, Indian glassware were absorbed by a large number of markets amongst which Bangladesh, Australia, Nepal, Indonesia, Dubai, Arab Republic of Egypt, Federal Republic of Germany, Thailand, Afghanistan, UK and USA were prominent.

Besides physical exports, Indian glass industry has now entered into the field of providing consultancy services in this line of manufacture. Indian technical expertise in the field has now come to a stage of accepting turnkey assignments in other countries. India's glass manufacturing technology is suitable particularly to a large number of co-developing economies in the world.

SIZEABLE DEMAND FOR INDIAN VEHICLES ABROAD

The TELCO Division (Tata Engineering and Locomotive Company Ltd.) of M/s. Tata Exports have received a number of export orders for vehicles and buses in the recent months from Arab Republic of Egypt, Afghanistan and Iraq.

The orders for the supply of 698 vehicles received from the Arab Republic of Egypt are valued as much as Rs. 50 million in free foreign exchange while the one secured from the Government Monopoly, Republic of Afghanistan for supply of 75 buses is a repeat order. Earlier, orders for 100 buses were secured by the firm from the Government of Afghanistan. Apart from these, an order for 20 buses was also secured by the company from the National Oil company of Iraq as a result of satisfactory operation of Tata vehicles supplied to the Defence Ministry of Iraq.

Apart from the above, the Company's Power and Transmission Division has also secured three contracts

for the supply of conductors, earth wire, cable and boxes and fuse gear to Sri Lanka Electricity Board for the Maskeliya Oya Project State-2. The total value of these orders is over Rs. 12 million. The orders are to be executed in association with M/s. Aluminium Industries Ltd., (ALIND), Cochin. This order is in addition to the earlier one secured for the supply of switch gear for the same project.

India has already established reputation in the International market as a supplier of quality vehicles suitable to cater to different purposes. During 1973-74,

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India's export trade in road motor vehicles amounted to Rs. 150.25 million while during the first half of 1974-75 (April-September 1974), the exports brought in foreign exchange worth Rs. 100 million in comparison with Rs. 50.71 million during the same period of 1973-74.

Of the total export earnings during 1973-74, motor vehicles bodies, chassis, frames and accessories alone brought in nearly Rs. 83.70 million while lorries and trucks in assembled form or otherwise fetched Rs. 20.10 million. Buses (assembled or otherwise) also secured Rs. 19.20 million. In the same year, passenger motor cars, special purpose lorries, trucks and vans, road tractors, tractor-trailor combination, motor cycles and motorised cycles and parts were also exported.

During April-September 1974, motor vehicles bodies, chassis, frames and accessories earned as much as Rs. 55.30 million, buses Rs. 10.55 million, lorries and trucks (assembled) Rs. 6.55 million, lorries and trucks (not assembled) Rs. 7.95 million, chassis (with engine mounted) for passenger motor cars Rs. 7.80 million, other engine mounted chassis Rs. 7.85 million and motor cycles and motorised cycles and parts Rs. 4.25 million.

Indonesia, Nigeria, Thailand, Arab Republic of Egypt, Malaysia, Iran, Singapore, Sri Lanka, Nepal, Zambia, Kenya, New Zealand, Guyana, Mauritius, Zaire Republic, Kuwait, Tanzania Republic, Bangladesh, UK, USA, Yugoslavia, Hong Kong, Italy, Iraq, and Malawi were the major importing destinations.

PROGRESS OF CONSULTANCY FIRM

M/s. National Industrial Development Corporation (NIDC), New Delhi, a management and consultancy firm in the field of engineering and industry earned foreign exchange worth Rs. 1.4 million during 1973-74 on account of consultancy services rendered by it abroad. The firm's total earnings from consultancy during the year, in fact, amounted to Rs. 10.25 million which recorded significant increase in comparison with Rs. 8.37 million during 1972-73.

During the year, the company had to its credit a number of consultancy assignments abroad as also at

home level. The consultancy jobs of the company overseas included assistance to the National Development Corporation of Tanzania in respect of a number of joint sector projects to be established in Tanzania with Indian assistance. The projects include setting up of a Billet making plant and an Agriculture Farm Implements Plant in that country. Nepal is another country seeking assistance of the Corporation. Nepal's Industrial Development Corporation continued to utilise the services of NIDC for preparation of Feasibility Reports for a number of important projects including rosin and turpentine and starch and glucose. It has already provided assistance in setting up joint ventures in Tanzania and Malaysia. A Steel Melting and Billet casting plant is being set up at Tripoli, Libya for which the Corporation has been acting as overseas consultants. During the year, the design work was completed and construction at site is progressing. The project is expected to be commissioned shortly.

At home level, the Corporation provided its consultancy services for undertaking a detailed study for manufacture of 24,000 commercial vehicles in India. Besides, It has also extended its valuable assistance for improving the health of existing industrial units. During the year, such assistance was provided by it to M/s. Bharat Gold Mines Ltd., Nagaland Pulp and Paper Plant (100 tonnes per day capacity), Pumps and Compressors Plant at Naini, Allahabad (M/s. Bharat Pumps and Compressors Ltd.) and Artificial Limbs Project, Kanpur. Besides, the Ministry of Heavy Industry, Government of India has also sought the Corporation's assistance for undertaking long range studies for assessment of supply and demand of equipment required for various sectors of industries including iron and steel, mining and manufacture of non-ferrous metals, machine tools, parts, iron ore and coal development.

The Corporation received 48 assignments during the year (1973-74). As on 1st April 1973, it has on hand as much as 75 assignments. Thus by the end of 1973-74, the Corporation had in its order book in all 123 assignments relating to various fields, such as, Project, Design and Engineering group (37 numbers), Paper group (4), Project Development Services group (53), Economic Development Services group (15) and Manage-

ment Services group (14). Of these, the Corporation completed 9 assignments pertaining to Project, Design and Engineering group, 39 in respect of Project Development Services group, 12 in Economic Development Services group and 8 in Management in Services group, totalling 68 assignments.

The activities of the Corporation are expected to be reoriented in future to cover Industrial Consultancy Services, Economic Consultancy Services, Construction Management Services and Technical Economic Information Services. Apart from this, the Corporation may undertake activities in some specific areas for future specialisation.

OVERSEAS DEMAND FOR TRANSFORMERS PICKING UP

India-manufactured transformers in different ranges and their parts and accessories secured about Rs. 12 million during the first half of 1974-75 (April-September 1974). Taking into consideration the exports at Rs. Rs. 15.25 million during the full preceding year (1973-74), the export uptrend is expected to yield sizeable foreign exchange earnings during the current year.

During the period under review of 1974-75, transformers in different ranges were supplied abroad. The overseas demand for transformers upto 37 PT 5 kV (ratings upto 3000 kVA) particularly, was high during the period. These netted foreign exchange worth over Rs. 9 million as compared to Rs. 7 million during the full year of 1973-74. Malaysia was the biggest buyer of these transformers at Rs. 3.72 million followed by Kenya at Rs. 1.22 million. Among others, Dubai, Zambia, Sri Lanka, Muscat, Thailand and Indonesia are prominent. During 1973-74, Malaysia (Rs. 2.45 million), Kenya, Sri Lanka, Tanzania Republic and Singapore were the main markets.

Apart from the above variety, transformers in other ratings were also exported mainly to Kenya and Malaysia.

Parts and accessories which earned Rs. 2.25 million during April-September 1974 (Rs. 2.63 million during

1973-74) were bought by about 18 countries amongst which Malaysia, Indonesia and Mauritius are prominent.

INCREASED FOREIGN EXCHANGE FROM FOOTWEAR

Overseas demand for Indian footwear is going up in recent years. As against Rs. 49.70 million during April-September 1973, the exports during the same period of the following year (April-September, 1974) have indicated sizeable increase at Rs. 93.45 million. The exports thus registered about 88 percent increase during April-September 1974 over that in the corresponding period of the last year.

During the complete year of 1973-74, the exports were of the order of Rs. 133.85 million in comparison with Rs. 128.55 million during 1972-73 and Rs. 117.60 million during 1971-72.

During the first two quarters of 1974-75, all leather closed-toe footwear constituted the principal variety of export dynamism having secured Rs. 33.35 million. U.S.S.R. was the largest buyer of the variety at Rs. 18.90 million (0.59 million pairs). USA, the next best buyer, bought 0.20 million pairs at a cost of Rs. 3.62 million. Among others, Australia at Rs. 3.25 million (0.20 million pairs), GDR at nearly Rs. 2 million and Nepal, UK, Canada and Bulgaria were prominent.

During 1973-74, exports of all leather closed-toe footwear amounted to Rs. 51.15 million. USSR was the leading buyer followed by USA, German Democratic Republic, Federal Republic of Germany, UK and Nepal.

The second significant variety active in exports during April-September 1974 was that of all leather open-toe footwear. It brought in Rs. 21.95 million. Over 50 countries bought this variety during the period amongst which USA at Rs. 8.45 million topped the list of buyers. Australia which imported worth Rs. 6.40 million (0.53 million pairs) was followed by Canada at Rs. 2.23 million (0.22 million pairs), UK about Rs. 1 million (0.10 million pairs) and Fiji Islands Rs. 0.60 million (33,316 pairs).

During the full year of 1973-74, this variety had earned foreign exchange at Rs. 37.32 million. USA, Australia, Canada, U. K. and Nepal were the prominent importing destinations.

Besides these two significant varieties active in exports during April-September 1974, rubber soled upper-canvas footwear secured Rs. 19.85 million. (This variety had secured Rs. 14.55 million during the full year of 1973-74). UK at Rs. 8 million was the principal importer followed by Zambia at Rs. 5.25 million and Canada at Rs. 1.10 million. During the same period, rubber soled upper-leather footwear were supplied abroad at Rs. 14.15 million (Rs. 14.55 million during 1973-74). USA, Australia, Canada and UK were the principal importing destinations.

Apart from these varieties, leather-soled footwear, leather-soled and embroidered uppers footwear, rubber footwear, footwear with rubber sole and leather cloth-uppers, rubber or plastic-soled footwear, footwear with other soles etc. were sold abroad during the period.

PLASTICS AND LINOLEUMS FARE WELL ABROAD

India's exports of plastic and linoleum products secured increased foreign exchange at Rs. 133.80 million during the first eleven months of 1974-75 (April- February 1975) as compared to Rs. 100 million during the corresponding period of 1973-74, according to the Plastics and Linoleums Export Promotion Council, Bombay. The export increase during the period under review was of the order of about 34 percent over that of the preceding year. The export target for the complete year of 1974-75 has been placed at Rs. 150 million.

Of the total export earnings during April 1974-February 1975, the plastic group earned maximum foreign exchange valued at Rs. 123.65 million as compared to Rs. 87 million (April 1973-February 1974) while the linoleum group brought in reduced export earnings at Rs. 10.10 million compared to Rs. 13 million.

A large number of products in the plastic group contributed significantly to the export growth during the period. Among these, prominent are : plastic electrical accessories (Rs. 11.40 million against Rs. 5.75 million);

plastic moulded and extruded goods (Rs. 21.45 million against Rs. 12.60 million); PVC flexible pipes and conduits (Rs. 16.95 million against Rs. 3.30 million); polyethylene/polypropylene films, sheets, bags and woven bags and sacks (Rs. 14 million against Rs. 9.55 million); PVC sheeting including paper-based PVC sheetings (Rs. 6.26 million against Rs. 2.73 million) and laminates (phenolic melamine) (Rs. 3.68 million against Rs. 2.30 million). Besides, plastic bangles, plastic dental products, plastic imitation jewellery, foam leather cloth and sheetings, PVC leather cloth, plastic brushes and nitro cellulose cloth also registered increase in exports during the period.

In this group, the exports of fountain pens, ball point pens, sign pens, fibre tipped pens, glass fibre reinforced polyesters and manufactures including helmets and spare parts; hand bags and purses and other PVC fabricated goods and spectacle frames, however, registered decline.

In the linoleums group, both the varieties of linoleums i.e. jute based and felt based registered uptrend at Rs. 6.87 million and Rs. 0.45 million respectively compared to Rs. 4.25 million and Rs. 0.24 million. Exports of polyethylene/jute combinations and phenol formaldehyde moulding powder, however, came down.

The uptrend in the total exports in the field so far, indicates that the total exports during the full year of 1974-75 may outstrip the export target set for the year.

EXPORT POTENTIAL OF PLASTICS TO CANADA

A survey team sent to Canada by the Trade Development Authority (TDA) has brought Rs. 70 million worth of trade enquiries for the export of plastic products to Canada. Enquiries are for wall paper, luggage goods, disposable plastic cutlery, plastic houseware, fabrics for plastic woven bags, plastic stationery items, floorings and hand bags.

India's global exports of these products during 1974-75 were of the order of Rs. 60 million, out of which Canadian share had been no more than one percent. Even if a part of the enquiries brought in by

TDA's survey team materialise into firm export orders, a breakthrough would have been achieved into the Canadian markets in these product lines.

TDA has already identified a number of Indian manufacturers of these products. The trade enquiries have been passed on to these firms and a number of them have already sent their quotations to the manufacturers and importers in Canada. During the course of this Survey and also on the basis of the quotations submitted by Indian exporters, it has been found that Indian prices are comparable to those prevailing in the Canadian market. TDA is following up these trade enquiries and is also in the process of evolving a plan to ensure supply of basic raw materials at international prices to the manufacturers in India.

This was the first time that a market survey for these products was undertaken in Canada. The team has established useful contacts with leading Canadian Department Stores, China Stores and importers, who have evinced keen interest in imported plastic products.

A leading manufacturer of Canada is also very keen to get some of his products out of his present production range, manufactured in India. To begin with, he would like to get manufactured in India disposable plastic cutlery and high density polyethylene bowls for meeting Canadian requirements which run into 60 million pieces of plastic cutlery and 1.2 million pieces of plastic bowls per year. The value of these two products to be imported by Canada would be Rs. 2.5 million per year.

One of the biggest manufacturers and distributors of wall paper in the world is very keen to import substantial quantity of textile-based wall paper from India to meet a part of the Canadian requirements. The present demand for plastic wall paper in Canada is greater for the pre-pasted varieties—around 60 percent. The demand for the non-pre-pasted wall paper is in the high price range and the preference is for large floral designs in bold colours. It is in the non—pre-pasted variety that India stands a very good chance.

In the luggage goods sector, soft sided luggage goods have tremendous potential for India at present, there is no brand monopoly for these in the Canadian

market. As the soft sided luggage goods have comparatively high labour content, India stands much better chances of entering the Canadian market for these goods.

With the replacement of traditional burlap bags by the plastic woven bags, the demand for the fabrics for the plastic bags has increased tremendously in the past few years. All the manufacturers of the plastic bags, contacted by the Survey Team in Canada, were very keen to import from India the fabrics and tubings for plastic woven bags. There are good prospects of entering the Canadian market in a significant way in this line.

Indian ball pens and sign pens have a ready market in Canada. Indian prices are most competitive and the quality is also acceptable to the Canadian importers and manufacturers. The only modification that may be required is in the packing of products. Blister packing of goods is more popular in the Canadian market and the Indian goods must be blister packed to be acceptable in Canada.

Other stationery items specially telephone indexes have a potential in the Canadian market. Indian prices for these indexes are comparable with the prevailing prices and the mechanism is also acceptable to the Canadian importers. The only changes needed in these indexes before they are fully accepted by the Canadian importers are in the finishing of the product. The Canadian manufacturers and importers like to have glossy finish in these telephone indexes and prefer that the surface should be so treated that dust does not accumulate on the indexes.

EQUIPMENT FOR DISTRIBUTING ELECTRICITY ACTIVE IN EXPORTS

With the export earnings valued at Rs. 66.20 million during the first half of 1974-75 (April-September 1974), Indian equipment for distributing electricity not only improved its overseas offtake sharply compared to that in the same period last year (Rs. 23.65 million) but also surpassed even the exports during the full preceding year (1973-74) at Rs. 61.30 million.

In the total export realisation during April-September, 1974, insulating wire cables contributed as much as Rs. 58.90 million. During the full year of 1973-74, they had earned foreign exchange worth Rs. 57.92 million.

A wide variety of insulated wire cables contributed to the export growth during the period under review. For instance, paper insulated cables, plastic insulated cables and flexes, plastic insulated wire, insulated cable cords and flexes and insulated wires constituted the significant varieties responsible for increased export earnings. Kuwait, Malaysia, Singapore, Dubai, USSR, Hong Kong, Qatar and Bangladesh were the leading importers.

Electrical insulating equipment, the next group active in exports, brought in Rs. 7.25 million during April-September 1974 (Rs. 3.36 million during 1973-74). Porcelain discs and strings, porcelain pin and solid core insulators, porcelain bushings, electric insulating fittings other than porcelain, electric conduit tubings and other porcelain fittings for electric equipment were the items exported. Iran, Singapore, Dubai, Kuwait, Kenya, Iraq and Muscat were the leading buyers.

KEEN OVERSEAS DEMAND FOR WIRE PRODUCTS

India's export trade in wire products (excluding electric) and fencing grills brought in increased foreign exchange at Rs. 45 million during April-September 1974 in comparison with Rs. 13.40 million during the comparable period in the preceding year. Interestingly, the export performance even exceeded the exports effected during the complete year of 1973-74 at Rs. 37.85 million. During 1972-73, the exports were of the order of Rs. 21.30 million.

During April-September 1974, wire cables, ropes and similar articles (not insulated) accounted for the bulk of foreign exchange at Rs. 35.25 million while gauze netting grill fencing of wire contributed Rs. 6.25 million and fencing type wire of iron and steel Rs. 3.45 million.

In the group of wires, cables, ropes and similar articles, black wire ropes of iron and steel secured Rs. 14.62 million and galvanised wire ropes of iron and steel Rs. 17.62 million. USA, Singapore, Philippines and Bahrein Islands were the leading buyers of the former category of products, while USA, Canada, Bulgaria, Dubai, USSR, Singapore and Yugoslavia were the prominent importers of the items in the latter category.

In the group of gauze netting grill fencing of wire, wire gauze of iron and steel, wire netting of iron and steel, wire gauze netting of copper and alloys and of aluminium and alloys were the specific items active in the exports. These were absorbed mainly by Dubai, Saudi Arabia, Iran and Qatar.

In the fencing type wire of iron and steel, barbed iron and steel wire was absorbed by over a dozen markets abroad in which USA, Brazil, Muscat and Canada were significant.

INCREASE IN EXPORTS OF TOBACCO

Tobacco, which occupies a prominent place in the internal as well as the external trade of India earned foreign exchange from exports worth Rs. 701 million during April-December 1974. In the full year of 1973-74, foreign exchange earnings from the export of tobacco was worth Rs. 684 million.

Tobacco is one of the important cash crops in India with an average production of about 350 million Kgs., cultivated over an area of nearly 440,000 hectares. The cultivation of tobacco, its curing, grading, export, manufacture of products such as, cigarettes, bidis, cigars etc., provide employment to a large population estimated to be over 3 million.

The principal buyers of tobacco are U.K., USSR, Japan, France, Irish Republic, Nepal, Belgium, Netherlands, Hungary, Saudi Arabia and Somalia.

From export point of view, Virginia tobacco, which is used in the manufacture of cigarettes, is the most important variety produced in the country to the extent of about 100,000—125,000 tonnes annually. More than 50 percent of its production, after curing, is exported, putting India as the second largest exporter

of Flue Cured Virginia (FCV) tobacco in the world map, next to USA. The Government has several schemes for the increase in production and exports of tobacco.

A centrally sponsored scheme for the development of exportable types of tobacco in Andhra Pradesh, Karnataka, Uttar Pradesh, Gujarat, Tamil Nadu and in new areas of Maharashtra, Bihar, Orissa and West Bengal was in operation during the Fourth Plan. In the Fifth Plan, several schemes are proposed for the assistance of farmers.

MARGINAL IMPROVEMENT IN COIR EXPORTS

India's exports of coir and coir products registered a marginal improvement during the first four months of 1975 (January-April 1975) at Rs. 56 million as compared to Rs. 54.35 million during the corresponding period of 1974, according to the Coir Board, Cochin-16. In terms of quantity, 121,020 quintals against 158,239 quintals were supplied abroad during the respective periods.

During the full year of 1973-74, the exports had earned Rs. 155.50 million (46,690 tonnes) compared to Rs. 149.50 million (49,480 tonnes) during 1972-73.

Coir yarn, though constituted the principal item of exports during January-April, 1975 at Rs. 27.60 million (71,700 quintals), it brought in reduced foreign exchange as compared to Rs. 30.25 million (105,248 quintals) worth of exports effected during the same period of 1974. Coir mats which was the next important item active in exports, secured more or less the same amount of foreign exchange earned by it during 1974—Rs. 17.45 million (28,670 quintals) against Rs. 18 million. Coir matting, however, improved their overseas offtake sharply to Rs. 5.37 million (9,515 quintals) from Rs. 3.70 million (9,517 quintals).

Among other items, coir rugs and carpets earned Rs. 4.54 million (7004 quintals) as against Rs. 1.46 million (2128 quintals). Apart from this, coir fibre, curled coir, rubberised coir goods and other types of coir also figured in exports.

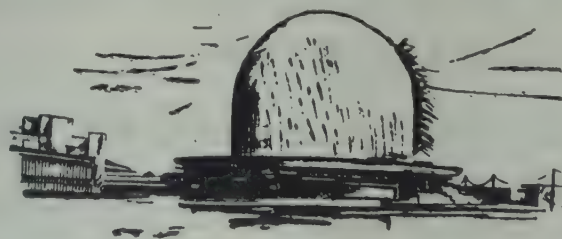
France, Netherlands, Federal Republic of Germany and Belgium were the bulk importers of coir yarn while UK, Federal Republic of Germany, Australia and Japan were the significant markets for coir mats.

EXPORT POSITION IN GEMS AND JEWELLERY

As against the actual exports of Rs. 1050.50 million during 1973-74, India's gem and jewellery industry is estimated to have secured reduced foreign exchange in the following year at Rs. 977.45 million, according to the Gems and Jewellery Export Promotion Council, Bombay.

Itemwise, the export position during 1974-75 and 1973-74 was : diamonds Rs. 779.75 million and Rs. 861.60 million ; precious/semi precious stones Rs. 151.17 million and Rs. 155.71 million; non-gold jewellery Rs. 28.10 million and Rs. 20.78 million; pearls Rs. 9.04 million and Rs. 6.58 million; gold jewellery Rs. 8.57 million and Rs. 5.39 million and synthetic stones Rs. 797,000 and Rs. 421,000.

The ten major countries which imported gems and jewellery items from India during 1974-75 and 1973-74 are : U.S.A. Rs. 235 million and Rs. 204.56 million; Belgium Rs. 188.43 million and Rs. 182 million; Hong Kong Rs. 147.80 million and Rs. 207 million; Japan Rs. 100.75 million and Rs. 103.70 million; UK Rs. 49.97 million and Rs. 56 million; France Rs. 43.86 million and Rs. 34.20 million, Switzerland and Rs. 43.60 million and Rs. 42.18 million, Singapore Rs. 39.20 million and Rs. 37.72 million; Federal Republic of Germany Rs. 29.56 million and Rs. 20.22 million and Netherlands Rs. 29 million and Rs. 52.61 million.



PRICE UPTREND IN INDIA REVERSED

The pressure on prices which was noticed from September, 1973 continued till the end of September, 1974. This trend reversed from October, 1974 owing to arrival of new crops in the market and anti-inflationary measures taken by the Government. Increase in the prices index was 2.8 percent in the year ending May 1975 as against 28.5 percent in the year ending May 1974. The annual increase was 1.9 percent in the week ending June 14, 1975 as compared to the previous year.

The index which stood at 289.9 in April 1974 rose to 328.9 in September 1974 showing a rise of 13.5 percent. The index which reached its peak during September 1974 showed a steady fall thereafter and finally stood at 308.4 in March 1975, showing a fall of 6.2 percent as compared to September 1974. The highest increase of 3.2 percent was noticed in May 1974, while the maximum fall of 1.6 percent was recorded during March 1975 as compared to the preceding months.

The general price level as measured by the official wholesale price index (base: 1961-62: 100) was higher by 23.4 percent during the financial year 1974-75 over the year 1973-74.

The increase in 1973-74 over 1972-73 was of the order of 22.8 percent. The fiscal year average for 1974-75 stood at 313.7 as compared to 254.3 for 1973-74 and 207.1 for 1972-73.

SINGLE BUOY MOORING SYSTEM TO BE ESTABLISHED

M/s. Indian Oil Corporation Limited (IOC) have recently completed Deep Sea Boaring and Standard Penetrating tests in the Gulf of Kutch. The activity was undertaken by IOC as part of their plan to provide mooring facilities for super tankers

in the Kutch area. This project was undertaken by the Pipeline Wing of IOC with a view to establish the design criteria for piling or anchoring requirements to be provided for the Single Buoy Mooring (SBM) System to be established in the Gulf of Kutch. The system is expected to facilitate receiving super tankers bringing imported crude for pumping it to the shore terminal for onward despatch to the Mathura Refinery to be constructed shortly.

This Deep Sea Boaring was executed by M/s. International Marine Petroleum Company (IMPC) of Kuwait. In all 7 sites, about 6 kilometres away from the shore were selected for soil testing and valuable data was collected. This will help to decide the design of anchoring facilities to be provided for SBM.

Taking into account the growing consumption of petroleum products in the northern region of India, which is estimated to increase as high as one million tonnes by 1978, it was decided by the Indian Government to set up an oil refinery at Mathura (Uttar Pradesh). This refinery will be supplied with imported crude through a suitable deep water port in the western region. Accordingly, Salaya was selected as an ideal place for the purpose. The proposed oil terminal was recommended to be near Salaya depending upon results of outdoor hydrographic survey and oil exploration.

It was decided to establish a Single Buoy Mooring system designed to take 300,000 dwt. tankers.

Indian Oil Corporation proposes to establish a shore terminal at Vadinar near Salaya. The entire infrastructure consisting of a housing colony, hospital, market, schools, water supply etc. will be provided by the Kandla Port Trust. The submarine pipeline from the SBM will join the shore at Narara Bet from where it will pass below salt pans over a distance of nearly five kilometres before being connected to the shore terminal.

It is proposed to lay a pipeline of 28in. dia. upto Viramgam and an 18in. dia. pipeline from Viramgam to Koyali, as part of the imported crude will be refined by Koyali refinery under expansion

scheme. The section from Viramgam to Mathura will have a 22in. dia. pipeline. The pipeline itself will be designed to carry 15 million tonnes of crude annually.

AUSTRALIA SIGNS IRON ORE ACCORD

The Agreement Establishing the Association of Iron Ore Exporting Countries was signed at New Delhi by His Excellency Mr. Bruce Grant, High Commissioner for Australia in India. Australia is thus sixth country to sign this agreement.

The Agreement was finalised and approved by the Ministerial Meeting of Iron Ore Exporting Countries held in Geneva on April 2-3, 1975, under the Chairmanship of Professor D.P. Chattopadhyaya, Minister of Commerce, India. The Final Act containing the text of the Agreement was signed by 11 countries, namely, Algeria, Australia, Brazil, Chile, India, Mauritania, Peru, Sierra Leone, Sweden, Tunisia and Venezuela. India has been named Depository State for the Agreement.

The Agreement was opened for signature at New Delhi on May 14, 1975, and will enter into force thirty days after signature by seven States. It has so far been signed by Algeria, Chile, India, Mauritania and Venezuela.

The objectives of the Association of Iron Ore Exporting countries are, *inter alia*, to ensure the orderly and healthy growth of export trade in iron ore, to secure fair and remunerative returns from its exploitation, processing and marketing, and to promote close cooperation among member countries for economic and social development.

UPTREND IN STEEL PRODUCTION

Production of ingot steel and saleable steel during the first quarter of 1975-76 (April-June 1975) at the integrated steel plants surpassed the production achieved during the same period last year by 13.8 per cent. The production of saleable pig iron increased by 35.2 per cent.

The production at the Alloy Steel Plant, (ASP) Durgapur, and of calcium ammonium nitrate (CAN) at Rourkela Fertiliser Plant (RFP) was also very encouraging. ASP made 10,458 tonnes of saleable steel during the first quarter as against 7,632 tonnes during the same period last year. RFP also improved its production from 46,200 tonnes during April-June 1974 to 55,100 tonnes during April-June 1975.

The stocks of saleable steel and saleable pig iron have risen by 35,100 tonnes and 20,000 tonnes respectively partly due to higher level of production and partly due to inadequate supplies of empties by the Railways.

REVISION OF PRICES IN COAL INDUSTRY

The Government of India have decided to allow an average increase of Rs. 17.50 per tonne in the price of coal with effect from July 1, 1975. The average price of coal has so far been about Rs. 50 per tonne.

Consequent on the revision of wages in the coal industry with effect from January 1 this year and the increased cost of other inputs, the coal industry approached the Government for higher prices of coal. The Government appointed an inter. Ministerial Committee to examine in detail all aspects relating to the question of revision of coal prices. After considering the reports of the Committee, the Government have now announced its decision to increase the price of coal.

The Committee, in their interim report, suggested that in order to cover the increased cost of production of coal during the year 1975-76, the price of coal should, on average, go up by Rs. 21.80 per tonne with effect from April 1, 1975. The Government have limited the increase of Rs. 17.50 per tonne and made it effective from July 1, 1975, with a view to keeping the impact of such a price revision on coal consumers and the economy as a whole to the minimum.

TEXTILE SHOW ROOMS OPENED

M/s. National Textile Corporation (NTC), Surya Kiran Building, Kasturba Gandhi Marg, New Delhi-1 have, so far, opened seven show rooms in New Delhi/Delhi, Chandigarh and Amritsar as part of several measures taken by them to make available different varieties of cloth and yarn at fair prices to consumers. The seventh show room was opened recently at F-25, South Extension (Part II), New Delhi. Inclusive of this, there are in all five show rooms at New Delhi/Delhi and one each at Chandigarh and Amritsar.

The scheme for the opening of the show rooms by the Corporation is designed to make available wide range of fabrics produced by the various nationalised mills from coarse to super fine varieties. All varieties of textiles manufactured by various mills under the Corporation, scattered all over the country, are offered for sale. The range of textiles include dhoties, sarees, shirtings, dress material, towels, bed-sheets, denims, furnishing material, long cloth and controlled cloth etc.

The Corporation has active plans to open show rooms in the capital and other cities/towns in the country. The Corporation has entered into export field also. It has earned sizeable amount of foreign exchange so far.

15W HF TRANSRECEIVER

In the radio spectrum, the important frequency bands, which are widely used for wireless communication are four, namely, HF (High Frequency), VHF (Very High Frequency), UHF (Ultra High Frequency) and Microwave. M/s. Bharat Electronics Limited, (BEL) Bangalore, make various equipment to cover the entire ranges, which are ideally suited for the military, para-military, police and many civilian users.

Of the HF manpack transreceivers made in BEL, 15W HF transreceiver LHP 219 is the latest in the series, others being LFP-221 (GE-524) and LHP-202. The word transreceiver is an abbreviation of transmitter and receiver, that is both transmission and reception are possible with a single set.

This transreceiver provides voice and telegraph Communication facilities over the frequency range of 2 MHz to 30 MHz in 28000 channels at 1 kHz intervals. The inbuilt frequency synthesiser in this set ensures very high stability of the frequency.

With its simplex operation - either transmission or reception at a time - it provides reliable SSB (Single Side Band) voice with suppressed or full carrier - CW (Continuous Wave) telegraphy communication facilities.

This solid state transreceiver has been entirely designed and developed incorporating the latest techniques in circuit designing using Hybrid Micro-Circuits and Integrated Circuits. It works on 24 V rechargeable battery. This transmitter is capable of 15 W output.

The communication range of HF transreceivers depends on various factors - frequency, type of antenna used, transmitter power, atmospheric conditions, sensitivity of the receiver and the type of modulation. It is possible to get a range upto 250 kms. with this transreceiver.

A linear amplifier, also developed by BEL, can amplify its output to 100 W.

It can work as a radio teleprinter terminal with the help of FSK (Frequency shift keying) attachment which has also been developed by BEL.

Though designed mainly for manpack role (portable role), with suitable accessories, it can also be used as vehicular or fixed station.

CENTRE FOR PRODUCTION OF MEDICINAL PLANTS

A Centre to encourage cultivation of pyrethrum, the safest insecticide, ideally suited for control of mosquitoes and other household insects, and other medicinal and aromatic plants is to be set up at Kodaikanal by the Central Indian Medicinal Plants Organisation (CIMPO), Lucknow. Initially an expenditure of Rs. 1 million has been sanctioned for the project.

The main object is to make the country self sufficient in respect of pyrethrum and other medicinal and aromatic plants. India's present annual requirements of pyrethrum flowers are estimated at about 300 tonnes. Of this, only 15-20 tonnes is met through indigenous production in Kashmir. The total requirement is expected to increase to 600 to 700 tonnes a year.

Experiments conducted earlier have indicated that the Kodaikanal Hills have the ideal agro-climatic conditions for growth of pyrethrum. The soil and climatic conditions in the area are as good or even better than Kenya which accounts for 80 percent of the total world production of pyrethrum flowers.

The proposed cultivation of these plants in the Kodaikanal area is not only expected to result in self-sufficiency but also to create sizeable employment and trade potential.

CEMENT PRODUCTION IN PUBLIC SECTOR

At present, the Cement Corporation of India has two factories for production of Cement—One at Mandhar in Madhya Pradesh and the other at Kurkunta in Karnataka, which are in production and each having an yearly capacity of 200,000 tonnes. During the year 1973-74, the turnover from these factories was Rs. 36.87 million. A production of Rs. 27.16 million came from the Mandhar factory and Rs. 15.10 million worth from the Kurkunta factory.

The Corporation has three projects under construction located at Bokajan, Rajban and Mandhar

(expansion project). The expansion of the existing Mandhar plant for production of portland cement by utilising blast furnace slag from Bhilai steel plant has already been taken up. Orders for the main plant and machinery have been placed.

The unit at Bokajan is in an advanced stage of construction. The erection of the plant and machinery has started. It is expected to be commissioned in a couple of months. Orders for the main plant and machinery for the third project at Rajban have been placed and it is expected to be commissioned towards the end of 1976.

The Corporation would establish three new projects for manufacture of portland cement at Adilabad, Tandur and Yerraguntla in Andhra Pradesh and at Akaltara in Madhya Pradesh for the manufacture of blast furnace slag cement. These plants will have a capacity of 400,000 tonnes each. The Corporation has already placed orders for the plant and machinery for three of the new units.

The Government has also approved the proposal for the setting up of a new plant at Neemuch in Madhya Pradesh having a capacity of 400,000 tonnes. All these units are expected to commence production during the Fifth Plan period.

In order to augment the production of cement in the public sector, the Cement Corporation of India increased its capital to Rs. 300 million from Rs. 150 million in 1973-74. This share capital of Rs. 300 million would meet the capital needs of the new proposed projects. The subscribed paid up share capital increased from Rs. 109.40 million to Rs. 141.42 million during the year.

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INDIA EXPORTS MORE ENGINEERING GOODS TO BELGIUM

Indian exports of engineering goods to Belgium and Luxembourg rose four-fold in 1974 at Belgian Francs 42 million (One Indian Rupee = 5 BF) as compared to BF 8 million in 1973. Although insignificant in terms of total Belgian imports of engineering products (one percent), the increase in the Indian supplies is to be considered significant in view of the highly competitive nature of the Belgian market. The increase in the exports, according to the Indian Embassy, Brussels, has shown that Indian engineering products are gaining acceptability not only in terms of quality but also in terms of prices.

The encouraging improvement in the Indian supplies of engineering products to Belgium and Luxembourg was due to two principal reasons, according to Indian Embassy. The first reason was Market surveys for bicycles, components and hand tools, small tools, and cutting tools, conducted by India's Trade Development Autho-

rity in early 1974 that led to new orders worth about US \$50,000 which were delivered during the course of the year. The other reason was the introduction by India of new engineering items, notably dry batteries in the Belgian market for the first time. From a small order of US \$10,000 at the beginning of 1974, there had followed a larger order of US \$25,000. Also a dredger was sold to a Belgian party which was another first for India.

During 1974, the most important supply from India to Belgium was in respect of ship parts which earned for India BF 10.3 million. Lifting apparatus was supplied to fetch BF 8.3 million; office equipment, iron and steel pipes and tubes and aircrafts were the other engineering items that India had successfully exported to Belgium in 1974. There were no exports from India to Belgium of any of these items in 1973.

Besides the above, the Indian engineering industry has also exported sizeable quantities of common metal tools (BF 4.8 million), radio equipment (BF 3.3 million), bicycle parts (BF 3 million), machine tools, parts of

pumps, electric components and other electric equipment in 1974.

Total exports from India to Belgium and Luxembourg also registered sizeable growth in 1974 at BF 2289 million as compared to BF 1943 million in 1973. The major product groups in the export trade from India during this year were ores, metals and precious stones (BF 1050 million), chemical and allied products (BF 557 million), natural fabrics (BF 320 million), food products (BF 84 million), handicrafts (BF 71 million), leather products (BF 52 million), engineering goods (BF 47 million), agricultural products (BF 38 million), unmanufactured tobacco (BF 28 million) and so on. Compared to the exports effected in 1973, there were substantial increases in respect of engineering goods, chemical and allied products, handicrafts, unmanufactured tobacco and natural fabrics. There was, however, a fall registered in the export of agricultural products, food products, ores metals, precious stones and leather products.

Indian supplies of diamond (worked) accounted for over 6 percent of Belgian imports in 1974. These diamonds continued to be the major items in Indian exports to the Belgium and Luxembourg—40.7 percent of India's total trade in 1974 as compared to 51.4 percent in 1973. Belgian exports of raw diamonds to India in 1974 totalled BF 1280 million and they constituted nearly 35 percent of the total Belgian supplies to India in that year.

Clothing has become an important item in the Indian exports to Belgium and Luxembourg totalling BF 37.5 million in 1974 which was a sixty percent rise as compared to the supplies in the preceding year.

The four-fold improvement in the Belgian offtake of India's engineering products in 1974 as compared to the preceding year was in no small measure due to the benefits emerging from the Generalised Scheme of Preference (GSP) offer of the European Economic Community. According to the information received from the Indian Embassy, the largest benefit under GSP was derived by engineering products. This became possible due to an increase in the competitiveness for Indian products owing to the exemption of customs duty.

While engineering products were the major beneficiary of the GSP in the non-sensitive group of items, in the semi-sensitive and sensitive products for which quotas were offered by EEC notably product groups that were benefitted were virginia flue cured tobacco, travel goods, shoe uppers in leather, imitation jewellery, electric batteries, umbrellas, furniture and dolls.

Indian imports from Belgium and Luxembourg totalled BF 3690 million in 1974 as against BF 2316 million in 1973. The balance of trade was adverse to India to the tune of BF 1402 million and BF 373 million in these years respectively.

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A PROGRAMME FOR ECONOMIC PROGRESS

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AUSTRALIA REMOVES IMPORT RESTRAINTS ON INDIAN READY MADE GARMENTS

Australia has lifted all restraints regarding the import of certain cotton textile ready-made items from India. The restraint arrangement was negotiated with the Government of India in September, 1974.

The Australian Government resorted to protectionists policies during 1974, in order to stave off competition from less expensive goods from developing countries and also to combat unemployment at home. With India, they negotiated a bilateral restraint arrangement regarding the imports of certain cotton textile ready-made items like woven blouses and skirts made of cotton for women and girls and other woven dresses for women and girls. The arrangement was to expire on June 30, 1975 and an Australian official delegation had come to India in the last week of June with a proposal to extend the arrangement further as also to include two more items namely, knitted outer garments for males and boys and knitted blouses and shirts for women and girls, within the scope of the arrangement.

During the discussions, the Indian delegation had pointed out that the apprehension of import from particular sources causing market disruption in Australia, which was the basic reason for imposition of restraints, did not exist in the case of India, as the quantum of exports of the item sought to be bought under the restraint arrangement was in no way substantial. The view-point was later considered by the Government of Australia and they have now taken the final decision that all these ready-made items from India would no longer be under any kind of restraint.

India's exports to Australia mainly include jute manufactures, carpets, engineering goods, tea, coffee, marine products, textiles, textile fibres, ready-made garments, sports goods, footwear, imitation jewellery, cashew, crude animal and vegetable material, precious and semi-precious stones, leather and leather manufactures, spices, medicinal and pharmaceutical products, coir goods, tobacco and walnuts.

India's exports to Australia registered more than

44 percent improvement during the first nine months of 1974-75. They were valued at over Rs. 500 million as against Rs. 347.20 million during the corresponding nine months of 1973-74. During the full year of 1973-74, India's exports to Australia registered nearly 94 percent rise (Rs. 504 million) over the performance in 1972-73. (Rs. 260 million).

INDO-MEXICAN COLLABORATION ON EXCHANGE OF COMMERCIAL INFORMATION

India and Mexico have exchanged letters confirming agreement and collaboration between the respective national institutes of foreign trade.

The letters envisage that the Indian Institute of Foreign Trade and the Mexican Institute of Foreign Trade will extend to each other the widest mutual collaboration regarding exchange of information on market prospects in both countries and will furnish to one another, upon request, the studies conducted by either side on markets for specific goods and services. They have also agreed to furnish each other with their current publications and extend cooperation in other areas of mutual interest.

When an official Mexican delegation met Prof. D.P. Chattopadhyaya, India's Minister of Commerce recently, the latter stressed the necessity of making Indo-Mexican trade relations more comprehensive. The two sides exchanged lists of commodities which they could offer to each other. At present, India's main exports to Mexico are jute manufactures, shallac, scientific, medical, optical, measuring and controlling instruments and apparatus, medical and pharmaceutical products, pearls, precious and semi-precious stones, machinery, burlap and palm fibre. The new list offered to Mexico at the time of the visit of the Mexican Delegation however, included some more sophisticated and nontraditional items which might prove competitive in Mexican markets. Major items of imports from Mexico are phosphoric acid, refined lead, fuel oil, citric acid, motor oil and some vegetable fibre.

Mexican Minister invited Prof. Chattopadhyaya to visit his country. He also requested the Commerce Minister to send a delegation of Indian exporters and

concerned officials to Mexico for enlarging the commercial cooperation between the two countries and for identifying areas of technical and business collaboration.

The two sides agreed to hold trade fairs in each other country. Commerce Minister said that India was already contemplating to hold an exclusive trade fair in Mexico next spring.

The Commerce Minister also agreed with the visiting Mexican Minister regarding the need for coordination among the developing countries for ensuring better inflow of the exports of these countries in the markets of the developing world.

EXPANDING MARKETS FOR FRESH FRUITS AND NUTS

While during the complete preceding year of 1973-74, India's export trade in fresh fruits and nuts (excluding oil nuts) secured foreign exchange worth Rs. 789 million, during the first half of the following year (April-September 1974), the exports amounted to Rs. 674.25 million. The exports registered more than 43 percent increase when compared with the export performance during the corresponding period of the preceding year (April-September 1973) at Rs. 471.45 million.

In the total foreign exchange realisation during April-September 1974, edible nuts alone fetched the bulk of foreign exchange at Rs. 667.35 million. In this, cashew kernels (whole) accounted for over Rs. 550 million while the contribution of cashew kernels (broken) was of the order of Rs. 110.80 million. Besides, oranges, lemons and limes, bananas, apples, grapes, fresh and desiccated coconuts, walnuts in shells and kernels and other edible nuts were also exported.

USSR constituted the biggest market for both the varieties of cashews during the period. Its intake of cashew kernels (whole) was of the order of Rs. 267.30 million while that of broken variety was Rs. 81.50 million. USA, the next best market bought worth Rs. 127.35 million (whole) and Rs. 14.40 million (broken) respectively. Canada, Australia, Japan, Hong Kong, Netherlands, Czechoslovakia, UK and Federal Republic

of Germany were the significant markets for both the varieties of cashew.

Among other fresh fruits, mangoes secured Rs.6.25 million (Kuwait, Dubai and UK were the principal importers), apricots, pineapples, fresh tamarind, sapota, were also included in the range of exports.

PLASTICS AND LINOLEUMS ACHIEVE EXPORT TARGET

An export target of Rs. 150 million set for the year 1974-75 has been crossed over by India's trade export in plastic and linoleum products at Rs. 154.80 million according to the Plastics and Linoleums Export Promotion Council, Bombay. The exports registered a significant increase over the export performance during 1973-74 at Rs.126.85 million.

During 1974-75, the plastic group outstripped the export target set for the group at Rs. 130 million with a foreign exchange earning at Rs. 143.55 million. However, the linoleum group brought in reduced foreign exchange at Rs. 11.30 million (1974-75) as compared to Rs. 18.45 million in the preceding year. The export target for the group was set at Rs. 20 million.

In the plastic group, a variety of products were active in exports during 1974-75. For instance, PVC rigid and flexible types and conduits registered more than three-fold increase at Rs. 18.60 million compared to Rs. 5.57 million in 1973-74. A similar uptrend was noticed in respect of a number of other products-plastic electrical accessories secured Rs. 12.80million compared to Rs. 6.85 million, plastic moulded and extruded goods Rs. 26.70 million against Rs. 16.15 million, plastic bangles Rs. 5.72 million against Rs. 4.60 million, laminates (phenolic melamine) Rs. 4.40 million against Rs. 2.68 million, PVC gramophone records and accessories Rs. 10.55 million against Rs. 9.20 million, plastic imitation jewellery Rs. 20.75 million against Rs. 19.75 million, polyethylene/polypropylene films, sheets, bags, woven bags and sacks Rs. 14.65 million against Rs. 11 million, foam leather cloth and sheetings Rs. 2.75 million against Rs. 1.65 million, PVC sheetings including paper bared

PVC sheetings Rs. 7.33 million against Rs. 3.37 million and plastic brushes Rs. 0.27 million against Rs. 0.12 million.

A few items in the group, however, witnessed fall in overseas demand. For example, fountain pens, ball point pens, sign pens, and fibre tipped pen earned less at Rs. 4.30 million compared to Rs. 8 million, spectacle frames Rs. 5.94 million against Rs. 9.30 million, handbags, purses and other PVC fabricated goods Rs. 1.15 million compared to Rs. 1.80 million. Besides, exports of expanded polystyrene products, glass fibre reinforced polysters, PVC leather cloth and nitro cellulose cloth also came down marginally.

In the linoleums group, jute based linoleum exports improved from Rs. 5.80 million (1973-74) to Rs. 7.85 million (1974-75) while those of polyethylene/jute combinations felt based linoleums, phenol and melamine formaldehyde moulding powder and plasticisers declined.

EXPORT ORDERS FOR ENGINEERING GOODS SECURED

Five out of the seven Indian firms which participated in the SME International Tools and Production Exposition held in Detroit, United States in early April, 1975, booked orders for cutting tools and other engineering products at a value of \$201,200 and the quantum of business, is estimated to be of the order of \$571,000 in the immediate future.

The Engineering Export Promotion Council, Calcutta organised the Indian exhibition. This was India's first ever display at a technical trade fair in the USA. Even though Indian stall was 'petite' in comparison to those of other countries, it was adequate and served the dual role of earning substantial business for the participating firms as well as projecting the image of India as a purveyor of high quality precision products.

The firms which participated in the fair and displayed their products were: 1) M/s, Fuel Instruments & Engineering Private Limited, Maharashtra (Hardness testers); 2) M/s. Indian Tool Manufacturing Company Limited, Bombay (Cutting tools and gauges); (3) M/s, Kanoria Haycock Sanderson Limited, Nagpur (Taps, dies and gauges); (4) M/s. S.S. Miranda & Co. Private Limited, Bombay (Tool bits and saws); (5) M/s. Mysore Kirloskar

Limited, Yantrapur, Harihar (Lathes) (6) M/s. Steel and Allied Products Limited, Calcutta, (Cutting tools) and (7) M/s. Voras Exclusive Tools Private Limited, Bombay (Special cutting tools.)

All exhibits were as per American specifications and rated excellent in finish and quality which invoked keen interest among the visitors of the exhibition.

EXPORTS OF DYES AND DYESTUFFS MOVE FORWARD

India's export trade in dyeing, tanning and colouring materials was of the order of Rs. 114 million. They were worth Rs. 123 million during April-October 1974 as compared to Rs. 48 million during April-October 1973. The major improvement was in respect of synthetic organic dyestuffs. Overseas supply of pigments, paints and varnishes also improved substantially.

M/s. Amar Dye Chem. Ltd., Bombay are stated to be India's third largest exporters of dyes in 1973-74. Their export performance has risen from Rs. 7.6 million in 1972-73 to Rs. 13 million in 1973-74. Their export supplies are reported to have further improved in 1974-75.

The Company has introduced reactive colours, developed by their own know-how, in sophisticated markets abroad like Netherlands and Belgium. Close attention to quality and competitive pricing are claimed to be the major factors that have facilitated their export breakthrough in new and difficult markets overseas.

EXPORT SUCCESS OF A BICYCLE MANUFACTURER

M/s. Hero Cycles Pvt. Ltd. Ludhiana have been engaged in the export trade of bicycle and bicycle parts for long time now. Their exports were of the order of Rs. 12 million in 1972-73 and Rs. 14.3 million in the subsequent year. While the Company has been supplying products to as many as 43 countries including developed markets like USA, Canada, UK and Japan, they were the pioneers in India to have introduced their wares in the South American countries like Argentina, Peru and Trinidad. Recently they have successfully secured two orders worth Rs. 16 million each from Indonesia against stiff competition from countries like Japan. In this connection they offered a matching credit to the buyer.

The firm was awarded Certificate of Merit and Award for Outstanding Export Performance during 1968-69 and 1970-71 respectively. Indian supplies of bicycles and parts have been gaining momentum year after year. Way back in 1960-61, these exports were hardly worth Rs. 1. million. In 1970-71 exports totalled Rs. 69 million, in 1971-72 Rs. 80 million; in 1972-73 Rs. 106 million; in 1973-74 Rs. 152 million. In the first seven months of 1974-75 (April-October 1974) the exports stood at Rs. 108 million.

EXPORT TRADE IN OPHTHALMIC GLASSES

In the growing variety of glass products that are exported by the Indian industry, ophthalmic glass and lenses have come to figure prominently. M/s. Bharat Ophthalmic Glass Limited, Durgapur, a Government of India undertaking has succeeded in exporting 367,000 pieces of lenses in 1973-74 at a value of Rs. 407,000. The firm has produced nearly 29 tonnes of ophthalmic blanks and 484,000 pieces of lenses in 1973-74. They have on hand plans to diversify lense production. They propose to discontinue the production of ordinary ophthalmic lenses and manufacture tank periscope prisms, camera blanks and such other items made out of optical glass. Manufacture and supply of comera blanks has also been taken up by the Company. They are arranging for de-developing further varieties of ophthalmic glass required by the Defence Department in bulk with the assistance of Central Glass and Ceramic Research Institute.

The Company is seeking to improve the thermal stability of ceramic pots in collaboration with the Central Glass and Ceramic Research Institute.

INDIA PARTICIPATES IN JEWELLERY FAIR

The Gem and Jewellery Export Promotion Council, Bombay sponsored the participation of its member-exporters in the Indian Gemstones and Jewellery Fair at Frankfurt from June 5 to 9, 1975.

Accordingly, 11 members of the Council participated and displayed their goods in the Fair, which had been

organised by the Frankfurt Diamond Exchange, Frankfurt with a view to popularising Indian gemstones and jewellery in West Germany.

This is the first European Fair to be organised by the Frankfurt Diamond Exchange in which only Indian exhibitors participated. About 1000 buyers from West Germany and other European countries are reported to have visited the Fair.

The items of display at the Fair included cut and polished diamonds, precious/semi-precious stones and jewellery.

CREDIT LIBERALISED FOR EXPORTS OF CAPITAL GOODS AND CONSTRUCTION PROJECTS

The Export Credit and Guarantee Corporation has liberalised its schemes of cover for capital goods exports and construction works abroad.

The Corporation will now issue insurance policies covering political and commercial risks affecting payments on construction works and turn-key projects undertaken abroad for non-Government Undertakings also. The risks covered by the Corporation will be to the extent of 75 per cent of the loss. Earlier, the Corporation was covering payment due for works or projects undertaken abroad only for Government Agencies or, if it were for a non-Government Agency, the payment was guaranteed by the overseas Government.

The Corporation has also increased the extent of cover under its counter-guarantee to the Banks, against bid bonds issued by them on behalf of their exporter-clients participating in overseas tenders. The cover has been raised from 75 per cent to 90 per cent. This has been done to meet the difficulties experienced by exporters in obtaining bid bonds from their bankers particularly for very large amounts and when they participate in a series of tenders totalling to a very large amount, of which only some may be successful.

These two measures of liberalisation by the Corporation together with the guidelines recently issued by Government for exporters of capital goods and the flexibility extended to such exporters to enter into contracts

for exports of capital goods up to a value of Rs. 50 lakhs without prior clearance from the Reserve Bank of India and financial institutions in India, would, it is expected, give a fillip to exports of capital goods, turn-key projects and construction projects abroad.

INDUSTRIAL PROGRESS AND DIVERSIFICATION

TOWARDS EXPANSION OF SYNTHETIC DRUGS PRODUCTION

The Synthetic Drugs Plant of the Indian Drugs & Pharmaceuticals Ltd. (IDPL), Hyderabad is to be soon expanded. The expansion would involve a capital cost of about Rs. 218 million including a foreign exchange component of Rs. 45 million. Besides, the Government would also make available additional working capital margin.

The Hyderabad Plant of IDPL was originally designed to have a capacity of 851 tonnes of 16 bulk drugs and 4,560 tonnes of various intermediates required for the manufacture of these bulk drugs. Commercial production in this Plant had commenced in 1968-69. The first phase expansion of the Plant was undertaken in 1970 raising its annual capacity for bulk drugs to 1988.5 tonnes with a capital investment of Rs. 48.8 million. The first phase expansion has already been completed to the extent of about 85 percent.

With the second phase expansion envisaged now, the IDPL's Synthetic Drugs Plant at Hyderabad would increase its annual capacity to 3386.5 tonnes of bulk drugs from basic stages. Completion of this expansion has considerable importance for the implementation of the national health programme envisaged during the Fifth Five Year Plan. The expansion would result in a net foreign exchange saving of about Rs. 110 million annually. It would also provide additional employment to about 1600 persons in different categories.

The IDPL's two drug units, viz., The Synthetic Drugs Plant, Hyderabad, and the Antibiotics Plant,

Rishikesh, are at present contributing about 35 percent of the total production of bulk drugs in the country.

The second phase expansion of the Hyderabad Plant includes production of nine new drugs in addition to 29 already in its product-mix. The technical know-how for the production of seven of these 9 drugs has been developed by the scientists and technologists of the Research and Development Wing of the Hyderabad Plant. The technology for the production of one drug viz., Vitamin B₆, has been made available by the National Chemical Laboratories, Poona. It is, in fact, mainly through IDPL's own Research & Development efforts that the Plant has been improving its technology and continuously expanding its production capacity besides adding new drugs in its product-mix. The nine new bulk drugs that are now being taken up for production with their annual capacities in tonnes in brackets are : vitamin B₆ (50), sulphadimethoxine (30), sulphaphenazole (50), Allopurinol (2), diallyl barbitone (10), seco-barbitone (10), nitrofurantoin (10), nitrofurazone (1) and thiacetazone (5).

Sixty per cent of the bulk drugs produced at the Plant are proposed to be converted into various ready-to-use formulations by IDPL by the end of the Fifth Five Year Plan.

The Plant has already touched annual production figures of 1280 tonnes of bulk drugs and is expected to reach 1625 tonnes during the current financial year 1975-76.

CENTRIFUGAL AIR COMPRESSOR DEVELOPED

The Central Mechanical Engineering Research Institute at Durgapur has developed a completely indigenous high speed single stage centrifugal compressor for air. Unique in design, the unit handles air mass flow at the rate of 0.5 kg/sec at 40,000 rpm at a pressure ratio of 3 at the design condition. The unit is novel for its design optimisation with three dimensional flow studies and production technique using simple machine tools.

The unit developed will find varied industrial applications in fertilizer industry, large tonnage

refrigeration and air-conditioning plants for food preservation and storage. In automotive industry such units will be indispensable for IC engine turbo-charger as they match very well both the thermodynamic and structural requirements with inward flow radial type turbines. Such units can also be used as loading device to the radial turbo-expanders for air liquefaction plants in cryogenic industry. As a new energy source, solar turbines combining with centrifugal compressors of high speed type, have promising chances of mass consumption as small power generation units.

IMPROVED POSITION OF ESSENTIAL COMMODITIES IN INDIA

Auspicious timely rains, steadily falling prices, and increased availability of the necessities of life mark the present state of affairs in the Indian economy. But in September 1974 world-wide inflation gripped India and several other countries. India's annual rate of inflation last September was about 28.8 per cent which though lower than in several developed countries hit the economy hard because of the poverty in the country's large population. The wholesale price index then stood at its highest point of about 330. The existing public distribution system especially for foodgrains was put to severe strain.

Several measures on many fronts, chiefly monetary, fiscal, administrative, legislative and enforcement were initiated and speedily implemented. The Department of Civil Supplies and Cooperation was created in October, 1974 as a nodal organisation with the main objective of furthering measures for controlling and curbing inflation and augmenting the production and distribution of essential commodities. One of the first priorities was to pursue, with the help of State Governments, deterrent action against black money, smugglers, profiteers and hoarders. Another step to dispel the climate of scarcity was to take up a crash programme for increasing the production of essential commodities.

At the same time, a specific action-oriented strategy was quickly prepared and implemented. Measures were taken-up for the priority distribution of 17 essential

commodities which, in addition to covering foodgrains edible oils, sugar, cement, kerosene oil and standard cloth, also included specific essential commodities required for particular areas like salt in the eastern and north-eastern regions; soft coke in the northern and the central regions; and coarse-grains and pulses for industrial and agricultural labour in several deficit areas.

The Government of India took up the commitment of extending public distribution through fair-price shops and consumer cooperatives to urban areas, deficit rural areas, hill areas, industrial, plantation, mining complexes and other vulnerable areas. Special arrangements were made for facilitating the movement of essential commodities to deficit areas, like coastal shipping for movement of about 300,000 tonnes of salt to the state of West Bengal and rail movement of soft coke to States in the north-eastern and northern regions where substantial quantities were required as domestic fuel for the common man during the winter months.

Arrangements were made with the vanaspati manufacturers to increase production and to substitute groundnut oil to a great extent by increasing utilisation of minor oils like palm oil and cotton-seed oil. Thus, the manufacture of vanaspati was increased without reducing the availability of groundnut and mustard oils for the common man especially in the rural areas. Similar arrangements were also made with soap manufacturers to increase production and to bring out the janata brand of toilet soap at a price not exceeding Rs. 1.05 per cake of 100 grammes. The production of controlled cloth, which was 400 million sq. metres in the previous year, was increased to 800 million sq. metres and steps were also taken to improve the quality of controlled cloth and to increase production of the preferred categories of sarees and dhoties. In order to remove the shortage of cultural paper required for exercise books and text books, a production control order was imposed on the industry to ensure adequate production of paper required by students and similar communities.

All these measures have had a salutary impact on the situation. The public distribution system now

comprises over 200,000 fair price and cooperative shops throughout the country, covering a population of about 45 million. As much as 10.61 million tonnes of foodgrains were distributed through these shops in 1974. Distribution of levy sugar and free-sale sugar has also been increased substantially. The price of levy sugar has been kept at the same level as in the previous year, namely, Rs. 2.15 per kg. throughout the country. There has been increased production of controlled 'sarees' and 'dhoties' for the common man and its distribution through the cooperative sector has been increased through about 28,000 retail outlets all over the country, more than 75 per cent of these being in the rural areas.

The international energy crisis in oil affected India and a cut of 30 per cent on kerosene allocation was relaxed to 10 percent so that this inexpensive domestic fuel was made available to the weaker sections of the population. The requirements of the agricultural sector for diesel, especially for tractors and irrigation pumping sets, were met in full and this helped to augment food production at a critical time when there was shortage of power. About 2.8 million tonnes of soft coke was moved especially during the winter months.

The production of cement, in spite of power-cuts, was higher than in the previous year and the growth rate was 20 per cent as compared to the previous year. Since last year, about 200,000 tonnes of cultural paper have been made available for distribution to students at subsidised prices. The availability of vanaspati and other edible oils at fair prices has also increased. The production of soap also increased and the janata brand of toilet soap was introduced in October last. With increased production, especially in the cooperative sector, the availability of baby food also increased. The production of leather footwear and tyres and tubes for scooters, trucks and buses has also shown a substantial upward trend.

Since the proclamation of the current emergency, further stringent measures have been taken to curb inflation and increase the availability of essential commodities.

The recent timely setting in of the monsoon has brought good prospects for the kharif crop. Even in the previous year, there was a very good crop and the promise of the kharif is still better. This has produced an unprecedented confidence in the ordinary consumer.

Production in the last few months has shown that India has the capacity to rise up to the expectations of the common man in the country. In June 1975, the cement industry achieved a record production of 1.33 million tonnes - the highest for the month of June in recent years - with a capacity utilisation of 78 per cent as against 70 per cent three months ago. The allocation of white cultural paper for students' needs has been raised to 40,800 tonnes for the period April to June, 1975, as compared to about 23,000 tonnes for the previous quarter and 16,045 tonnes in the same period for the previous year. The production of leather footwear, and of tyres for scooters and buses has shown a substantial increase of about 20 to 25 percent in the last few months. In the months of April and May this year, the production of baby food touched 3,250 tonnes as compared with only 808 tonnes in the corresponding period of the last year. The increase in production is mainly in the cooperative sector which has also recently announced a reduction of prices of baby food by 6 per cent. The production of soda ash also registered an increase of 20 percent in the month of April. There has been a substantial increase in the production of sulphur drugs and vitamins and, generally, there has been no shortage of essential drugs in common use.

A model scheme for distribution of essential commodities has been implemented since the last month in the capital of India, Delhi. While similar action is being taken simultaneously and progressively to cover a few more selected areas throughout the country, the salient features of the model scheme are being extended throughout the country.

During the last few days, there has been a further welcome fall in the retail and wholesale prices of essential commodities coupled with increased availability. The Central Government, in cooperation with the State Governments, has evolved a system of vigilance

and monitoring of production, availability and pockets of scarcity, besides prices and market trends of essential commodities so that remedial measures could be taken quickly and red signals were detected early enough for redressing the grievances of the consumers. The increased allocation of foodgrains, including rice, have been made to deficit States for enhancing the quotas through the public distribution system. The fall in retail prices in the open market has been felt mainly in respect of wheat, pulses edible oils and sugar. Retail prices of several of these commodities are lower than those that prevailed in the corresponding period of the last year.

The annual rate of inflation up to the end of June 1974 was 28.89 per cent. We are happy to note that it has now come down to 2.78 per cent at the end of June 1975. The usual phenomenon of rise in prices during the lean period from June to September every year, has been fortunately reversed this year. The wholesale price index which stood at 330 in September 1974 has come down to 310 in the middle of July this year.

A PROGRAMME FOR ECONOMIC PROGRESS

In a broadcast to the nation on July 1, 1975 India's Prime Minister, Mrs. Indira Gandhi outlined the Major elements of an economic programme designed to accelerate the pace of development, stabilise the price level and to mitigate the hardships and sufferings of the poorer sections of Indian society. The package of measures involves the use of the present national emergency to get the country moving with greater speed, efficiency and vigour towards the realisation of the cherished national objectives of removal of poverty and a progressive reduction of glaring disparities in income and wealth. The Prime Minister reminded the nation that mass poverty that prevails in India cannot be abolished overnight but she expressed her confidence that the programme outlined by her would certainly help to shake off the sense of helplessness or lethargy and thereby make a difference to the country's economic outlook.

The new economic programme attaches highest priority to the stabilisation of the price level. This is wholly understandable in the light of recent Indian experience which clearly shows that inflation affects both the ability and incentive to save; it distorts investment priorities and brings about highly undesirable changes in income distribution. The poorer sections of society, particularly the landless agricultural workers and those with fixed money incomes are the worst sufferers. No purposeful planning whether for accelerated growth or for greater social justice is possible in a regime of rapidly rising prices. It is, therefore, not surprising that the control of inflation has been described by the Prime Minister as the first and foremost challenge, on the economic front.

Fortunately, as a result of series of measures adopted by the government in the last one year, the general price level in India has shown a declining trend since October 1974. India happens to be one of the few countries in the world where anti-inflationary measures have proved to be so effective as to bring about an absolute decline of about 7 per cent in the wholesale price index within a period of six months, viz., between October 1974 and the end of March 1975. During the first few weeks of the current financial year, the price index again showed a mild rising tendency thereby emphasising the need for utmost vigilance on the price front. The programme announced by the Prime Minister is designed to strengthen the downward trend in prices.

The anti-inflationary strategy outlined by the Prime Minister consists of a series of steps to stimulate production, speed up procurement and streamline the distribution of essential commodities.

In order to raise production in agriculture, it is proposed to bring five million hectares of additional land under irrigation during the next four years. A national programme has been drawn up for an optimum use of the vast water resources of the country. The increased availability of water and power is bound to have a favourable effect on agricultural production.

In industry, special emphasis is being laid on an accelerated programme of power, including the establishment of super thermal power stations under control of the Central Government. In 1975-76 alone, generating

capacity for power is expected to go up by 2.6 m. kw. It is anticipated that the supply of power, which has been a critical bottleneck in increased production in recent years, will increase by 20 percent during the current year. The supply of other critical inputs such as coal, iron and steel has also considerably improved in recent weeks and further improvements can be expected during the rest of the year. These factors, combined with further liberalisation of licensing procedure for investment, seeking to reduce delays in the issue of licences, with renewed emphasis on greater harmony in industrial relationship through increased workers' participation in management, constitute important elements of the programme for removing the various barriers which stand in the way of accelerated industrial growth.

While the new economic programme lays utmost emphasis on measures to increase production, it also recognised the need for adequate procurement of foodgrains and for streamlining the system of public distribution as essential components of a viable anti-inflationary policy.

In recent months, the procurement of foodgrains has been hampered by the hostile attitude of certain vested interests that have taken undue advantage of the established legal processes to secure stay orders from courts, preventing government from procurement of foodgrains. The emergency gives an opportunity to remove some of these obstacles and to ensure that a viable system of public distribution becomes a permanent element of our social and economic strategy to meet the minimum basic needs of the poorer sections of Indian society. The Ministry of Industries and Civil Supplies is now working out the details of such a streamlined system of public distribution. As part of this drive, apart from foodgrains, the scheme for distribution of controlled cloth is being improved so that dhotis, saris and cloth will be of better quality and are sold through a larger number of outlets in the rural and urban areas.

In the last few months, the policy of selective credit control has greatly helped to reduce the rate of growth of money supply and to prevent misuse of bank credit for speculative stock building activities. The Prime Minister has assured that the policy of careful regulation of bank credit in accordance with broad national priorities

will be pursued with renewed vigour. A number of administrative and legal obstacles had reduced considerably the effectiveness of the action that was initiated by the government last year against various anti-social elements. The present national emergency provides an opportunity to overcome some of these obstacles. Accordingly legislation is being enacted providing for confiscation of properties of known smugglers.

The large scale tax evasion in recent years has greatly reduced the elasticity and flexibility of our tax system for generating adequate resources for financing national development programmes. To tackle this evil, the Prime Minister has announced the intensification of the drive against tax evasion, so as to detect under-valuation of income and property for purposes of income and wealth tax. Dererrent punishment is to be given to those indulging in various economic offences. These measures would no doubt help to stabilise prices but they would also discourage wasteful conspicuous luxury consumption.

The programme announced by the Prime Minister lays special emphasis on immediate measures providing relief to lower income groups. The inflation of the last three years has brought a good deal of hardship to fixed income groups, particularly those in the lower income brackets. In order to provide some relief to this section of the community, the income-tax exemption limit has been raised from Rs. 6,000 to Rs. 8,000. Apart from providing relief to lower income groups, this measure will release administrative resources for greater concentration of efforts in detecting tax evasion among higher income groups.

Growth with social justice has always been the dominant theme of our national development strategy. Since a great majority of India's population lives in rural India, amelioration of the conditions of living of the rural poor is an essential condition for securing greater social justice. In the last four years, a comprehensive legislation has been enacted all over India providing ceilings on the ownership of agricultural land and the redistribution of surplus land among the landless labourers. Nevertheless, in a number of states, progress in implementation has been inadequate, partly because of the inadequacy of land records. To meet this gap,

the Prime Minister has announced her government's commitment to compile, with the cooperation of local people, the necessary land records in the shortest possible time to implement the agricultural land ceilings legislation in letter and spirit.

The landless workers in agriculture who constitute nearly 25 per cent of the rural work force would derive particular benefit from the Prime Minister's announcement that the programme for providing house sites for landless and weaker sections of society would be greatly accelerated. The feudal practice of bonded labour which is still prevalent in some parts of India has been abolished. This means that all contracts or other arrangements under which services of such bonded labour have been secured in the past will be illegal.

An important element of the new deal for the rural poor, as announced by the Prime Minister, involves action designed to liquidate private rural indebtedness. All over India, the greed and the capacity of the village moneylender is a well-known fact. The poor farmers have been victims of this exploitation for generations. In the last 25 years, much has been done to expand the supply of institutional credit to the agricultural sector, thereby reducing the hold of the private moneylender on the rural economy. Yet, much more could have been done. As a means of providing minimum relief to the small and marginal farmers and landless labourers, the Prime Minister has announced a moratorium on suits and execution of decrees for the recovery of debts due to the village moneylender. This means that the resources which the poor farmers were hitherto using to repay their past debts will now be available to them to improve their productive efficiency.

The government fully recognises that, in the final analysis, the hold of the village moneylender can be reduced only if institutional credit becomes available in large amounts and on more favourable terms. To that end, the entire structure of institutional credit to agriculture is being revamped. The objective is to work out a new structure of rural banking which is in tune with the needs of our rural society. The Finance Ministry is now working out the details of the new rural banking system.

The Prime Minister has also promised a review of minimum wages in agriculture so as to ensure a minimum

standard of life to this most exploited section of our society. She has announced government's commitment to a programme for the revival, rehabilitation and development of the handloom industry which provides livelihood to millions of people in India. A separate development commission is being appointed for handlooms. The policy for reservation of selected categories of cloth for production in the handloom sector is being rationalised so as to afford greater protection to the poor handloom weavers.

The Prime Minister has also announced that legislation is being enacted to impose ceilings on the ownership and possession of vacant land, to acquire excess land to restrict the plinth areas of new dwelling units and to socialise urban and urbanisable land. This measure would not only help to reduce disparities in income and wealth in urban areas but would also go a long way in promoting rational land-use planning. It would now be possible to ensure that the appreciation of land values in the wake of general development becomes an instrument not for enriching the land speculators but for removing slums, for generating new resources for development, and for meeting the housing needs of the urban poor.

Another noteworthy element of the new economic programme is the proposed amendment of the apprenticeship act so as to create new employment opportunities in urban areas thereby reducing the distress and sufferings caused by unemployment.

As a means of promoting the welfare of the student community, essential commodities are to be supplied to student hostels at controlled prices. This would also apply to provision of books and stationery to students.

The Prime Minister has pointed out that the programme outlined by her, contains some new elements as well as other elements which were set forth earlier but which require to be processed with greater vigour and determination. She has expressed her confidence that together all these measures would make a difference to the country's economic outlook. Since the announcement of the programme, there has been a welcome decline in the prices of a large number of essential commodities. The supply situation in respect of essential commodities has also greatly eased.

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BHARAT HEAVY ELECTRICALS WIN GLOBAL TENDER

A prestigious contract of the total value of about Rs. 190 million for the supply of centrifugal compressors has been recently won by the Hyderabad unit of M/s. Bharat Heavy Electricals Ltd. The order is for the design, manufacture, supply, erection and commissioning of syngas, ammonia refrigeration and carbon dioxide compressors along with drive turbines and auxiliaries for fertilizer projects to be set up by the National Fertilizers at Bhatinda (Punjab) and Panipat (Haryana). These contracts were won by the firm in the face of stiff international competition. The foreign exchange saved for India in these contracts is worth about Rs. 60 million. Many renowned foreign manufacturers have also competed in this global bid. The compressors and related equipment to be erected are to meet a time-based schedule and BHEL is confident of meeting this requirement.

The Hyderabad unit of BHEL has a record of production growth, improved profits and sizeable employment position. The production value of the units was of the order of Rs. 516 million in 1974-75 as compared to Rs. 444 million in the preceding year. During 1974-75, a record number of 17 turbines and 15 alternators were tested in the plant and as many as 14 sets manufactured by the plant were commissioned at various sites in the country. These include two turbo generator sets of 110 MW capacity commissioned at Kothagudem, another at Gurunanak Thermal Power Station in Punjab and one set of 60 MW turboset at Faridabad. In addition, turbosets of smaller capacity such as 1.5 MW, 7.5 MW, 10.5 MW and 12.5 MW were also commissioned at various places in the country during the year. Circuit breakers of varying capacities totalling 113 Nos. were installed. A carbondioxide compressor unit supplied to IFFCO, Kalol was also commissioned.

The BHEL, Hyderabad has also executed an overseas contract for the supply of our circuit breakers.

kers to Iraq. The sets now under commissioning include 18.2 MW turbo-blowers to Bokaro, 10.5 MW extraction condensing turbogenerator set for Haldia Refineries.

Even within a year of its entering into an agreement with M/s. Siemens of West Germany for the manufacture of high speed turbines, BHEL Hyderabad has succeeded in receiving orders for turbines of varying capacities from domestic refineries, steel projects and petro-chemical units.

They are also taking up manufacture of surface condensers, low and high pressure heaters and machining of turbines casings and rotors for 210 MW power generating units.

M/s. BHEL is to supply 80 percent of the power equipment required this year (1975) for achieving the target of commissioning 2600 MW of power in India. In compliance with the 21 programme announced by the Prime Minister of India, BHEL group is to increase its production target for 1975-76 by 10 percent and cut down expenses at least by 10 percent to help arrest inflation.

The power development programme in India in the current year envisages the utilisation of 80 percent indigenous power equipment as against 20 percent in the past. A substantial portion of this 80 percent equipment is required to be supplied by BHEL. This organisation is also to supply an effective role in the proposed super thermal power stations in the country.

AN OUTLOOK ON INDIA'S FOREIGN TRADE

The notable increase in the growth of India's foreign trade in the last about two years, has largely been due to the rise in the price of the country's major export and imports. While the exports benefited from the increase in the world prices of many commodities, the upsurge in the international prices imposed even heavier burdens by way of additional import costs. In this process, India's over all terms of trade experienced a marked deterioration by over 16 percent during 1973-74. The trends in this regard during 1974-75

showed no improvement, according to the Economic Review presented to Parliament by the Finance Minister recently.

In view of these trends in India's external trade, the emphasis being laid by the Government of India is to ensure the viability of the economy's balance of payments and for meeting the steep increases in the costs of essential imports. This is proposed to be effected mainly by stepping up the returns from the export sector.

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DECLINING PRICE TREND IN INDIA

10

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During 1974-75 the total value of India's imports aggregated to about Rs. 43487 million and this represented a steep increase of 48.6 percent over the imports in 1973-74 valued at Rs. 29253 million. On the other hand, the total value of exports during 1974-75 amounted to Rs. 32530 million as against Rs. 25234 million in 1973-74 recording a rise of 28.9 percent against 28 percent in 1973-74. As a result, the overall trade deficit widened from Rs. 4019 million in 1973-74 to as much as Rs. 10957 million in 1974-75.

In the first two months of 1975-76, the total value of imports has been provisionally placed at Rs. 6007 million as against Rs. 6318 million in the corresponding two months of the preceding year. Export realisation in the first two months of 1975-76 are placed at Rs. 4956 million as against Rs. 3896 million in the same two months of 1974-75. The trade deficit over the two months worked out to Rs. 1051.50 million as against Rs. 2422 million in April-May 1974-75.

In view of the falling trend in commodity prices in the international markets, a slackening in the rate of growth of demand for India's exports may be expected in 1975-76. No major respite is, however, in sight from the impact of steep increase in import costs. However, the various export promotion efforts that are now being made by the Government of India should make it possible to sustain a modest growth of exports in 1975-76.

Being fully conscious of the imperative need to promote exports, the Government of India is planning in terms of minimum annual rate of export growth of 8 to 10 percent in value. Several measures have been recently adopted to boost exports.

Under the import policy for 1975-76, all units which export at least 20 percent of their production will be eligible for getting licences on the basis of the consumption of imported raw materials, irrespective of the value of the licences obtained during the previous year; they will also be entitled to preferred sources of financing. In order to increase export of non-traditional products, import entitlements have been enhanced by 10 percent in the case of engineering goods, chemicals and allied products, leather and leather goods, cotton textiles and ready-made garments. Replenishment licences have been made

widely transferable. Units undertaking to export can obtain advance licences against a definite undertaking to export instead of on the basis of a definite export order which is the present position. Limits for imports of non-permissible items have also been increased, so that export production is not delayed for want of essential inputs. Exporting units can also now ask for a letter of authority for direct import of canalised items. The value of import licences available for spare parts has also been increased.

More recently, the export duty on carpet backing and hessian has been removed and several items, including chemicals and certain categories of iron and steel products, the export of which was not encouraged in the past, have now been permitted to be exported.

The significance which the Government attaches to the need for increase in exports and the measures to achieve them is highlighted by the recent creation of a separate Cabinet Committee on Exports under the Chairmanship of the Finance Minister with the Ministers of Industry and Commerce as Members. This Committee will provide the necessary leadership and guidance at the highest administrative level to ensure growth of exports in volume terms. The Government had also constituted some time back a Committee to consider the problems of the engineering industries and to suggest concrete steps to stimulate export of engineering goods. This Committee made a number of recommendations which were considered by an Inter-Ministerial Empowered Committee. Several decisions have been taken both by this Empowered Committee and by the Government on the report. Some of the important decisions are as follows :

- (i) Automatic approval for production earmarked for exports beyond the authorised capacity.
- (ii) Improved arrangements for supply of inputs for export production. Within the resources available, the exporters will be provided with all the inputs needed, including raw materials, power and export finance on a priority basis.
- (iii) The procedures for allocation of steel have been simplified and the Iron and Steel Controller will have the sole responsibility to

make allocations after the exporters' obligations are sponsored by the Engineering Export Promotion Council.

- (iv) In cases where the prices of steel are revised upward by 10 percent or more, the contracts entered into by the exporters will be protected against revised prices, provided the contracts do not contain escalation clauses to cover the price increase adequately.
- (v) In respect of export of capital goods and turnkey projects, the rate of cash assistance obtaining at the time of concluding the contract will be protected till the completion of the contract, as against the existing limit of 2 years for turnkey projects and 18 months for capital goods.

For other engineering goods, such protection will be made available for a maximum period of three years against the existing limit of one year. This protection will be applicable in cases where the price is not negotiable.

- (vi) For determining cash assistance, while the existing basis of marginal costing will continue, 25 percent of the rate of such cash assistance will be added towards the fixed cost of production.
- (vii) Import duty on raw materials imported against advance licences will be not be charged if such imports are approved by the Advance Licence Committee.
- (viii) Export obligations in future will be imposed only by one authority, namely the Licensing Committee.
- (ix) The procedures regarding proposals have been simplified. The IDBI has been made the focal point for the receipt and processing of all export proposals for deferred payment, instead of applications being processed as at present at three or four points, namely by the RBI, the ECGC, the IDBI and Government.
- (x) In case where IDBI financing is not required, the exporters can enter into firm commitments

with foreign buyers without the prior approval of the RBI and the ECGC, provided the deferred payment contracts are of a value not exceeding Rs. 5 million and the deferment period is up to five years.

- (xi) A high powered Standing Committee on Export Finance has been set up under the Chairmanship of the Deputy Governor of Reserve Bank of India to deal with general problems faced by the exporters with regard to export finances.
- (xii) Decisions have been taken on liberalisation of facilities for grant of foreign exchange for travel abroad in connection with export contracts, making available pre-shipment credit at a concessional rate of interest upto 180 days for specified medium and heavy engineering goods and arrangements for collection of specialised data and information and the taking up preliminary studies by consultants.

INDIA AND GUYANA TO ENTER JOINT VENTURES

The Government of Guyana has shown interest in setting up certain turn-key projects including a textile mill, a cement plant and a mini steel mill in Guyana as joint ventures with India. They have also decided to import trucks and buses from India in addition to the traditional commodities, and Indian firms have already finalised contracts for these sales. This information was communicated to India's Commerce Minister, Prof. D.P. Chattopadhyaya, by Mr. H.D. Hoyte, Guyana Minister of Economic Development. The latter accompanied Guyana President, who was in India on a State visit recently.

Prof. Chattopadhyaya assured Mr. Hoyte about India's keenness and determination in executing the joint venture projects. An Indian firm has submitted a preliminary report regarding setting up of a mini steel mill and the Government of Guyana has already agreed in principle to accept India's technical assistance. India's proposals and offers for setting up some other turn-key projects like

textile mills and cement plants have also been accepted in principle.

The Commerce Minister pointed out that India was in a position to supply a wide variety of products, including sophisticated and technical items, which would be competitive with regard to price and product specifications. The main problem, according to him, was the distance between the two countries and lack of direct shipping services, which were responsible for the low volume of Indo-Guyana trade. However, the two ministers noted with satisfaction the recent improvements of services between the ports of India and Guyana including the introduction of a direct shipping service to Georgetown by the Shipping Corporation of India, which was expected to contribute to further growth in Indo-Guyana trade.

During his talks with Guyana Minister of Economic Development, Prof. Chattopadhyaya emphasised the need for more exchanges of trade and commercial information between the two countries for improving economic ties.

Mr. Hoyte informed the Commerce Minister that Guyana was trying to diversify the sources of their essential imports and evinced interest in buying Indian buses and trucks and hospital equipments including drugs. An Indian firm has already obtained contracts for supply of trucks worth Rs. 5 million to Guyana. Another firm has also finalised two deals for supply of 80 buses and spare parts for values of Rs. 6.7 million and Rs. 3.3 million respectively.

India's exports to Guyana mainly include traditional items like jute bags, cotton and rayon textiles, rubber manufactures, footwear and spices. The value of exports in 1973-74 was Rs. 5.7 million as compared to Rs. 3.8 million in the previous year. During the first ten months of 1974-75, the export figure rose to Rs. 5.14 million.

In recent years, consistent efforts have been made to diversify exports to Guyana, with more and more emphasis on engineering items. In the last one year alone, enquiries have been received

for the export of items like tractors, textile machinery, canning machinery, garment making machines, footwear manufacturing equipment, water meters, machine shop equipment and sports goods. India's imports from Guyana are negligible and mainly include pearls, precious and semi-precious stones.

INDIA PARTICIPATES IN MELBOURNE ENGINEERING EXHIBITION

An International Engineering Exhibition was opened in Melbourne on July 28, 1975 and industrial India was prominently on display. The Indian Pavillion exhibited a wide range of engineering products including light machinery, door closers, carbide tools, bandsaw blades, hand and cutting tools, steel files, industrial fasteners, electric fans and motors, diesel engines and pumps, automotive parts, bicycles and scientific instruments, besides machine tools of Messrs Hindustan Machine Tools and other machine tool manufactures were on prominent display. This pavilion is displaying a Godrej 100-Ton Press. This is for the first time that a press of this calibre from India is being displayed in Australia. It has proved to be the star attraction at the Indian pavillion. Besides HMT and Godrej, some 15 other manufacturers are exhibiting their products in this impressive Indian display.

The Australian Minister for Manufacturing Industry Mr. Liorel Bowen, who visited the Indian pavillion, expressed his admiration on the progress made by India in the field of industry and technology as demonstrated by the heavy and sophisticated machinery displayed in the pavilion.

Exports of Indian engineering products to Australia showed a significant increase during the year 1973-74 (July-June) and the half-year ended December, 31, 1974, when these totalled Rs. 40 million and Rs. 26.50 million as against Rs. 26 million and Rs. 10 million during the corresponding period of the previous year and the previous half-year respectively.

India's total exports to Australia have also registered a marked increase in recent years. These

were valued at over Rs. 530 million and Rs. 370 million during 1973-74 (July-June) and the second half of 1974 respectively as against Rs. 320 million and Rs. 256 million during the previous year and half-year respectively.

LARGE IMPROVEMENT IN EXPORTS OF CHEMICALS AND ALLIED PRODUCTS

According to the estimates made by the Chemicals and Allied Products Export Promotion Council, Calcutta the overall export value of chemical and allied products registered a sizeable uptrend in export growth to reach a level of Rs. 904.70 million in 1974-75 as compared to only Rs. 588 million in 1973-74 and Rs. 407 million in 1972-73. The most important export was by the group of crushed bone, ossein and fertilisers (including glue gelatine.). These exports fetched Rs. 203 million in 1974-75 as against Rs. 126 million in 1973-74 and Rs. 66 million in the year before.

Next in importance was the group of paints, varnishes and allied products whose exports secured Rs. 142.3 million in 1974-75 as compared to Rs. 50.3 million in 1973-74.

Plywood and plywood products including wooden furniture and wood and cork manufactures were the next best group of items active in export trade at about Rs. 106 million in 1974-75 while this group earned only Rs. 60 million in foreign exchange in the year before.

Automobile tyres and tubes also proved to be active on export front. Their overseas sales amounted to Rs. 86.50 million in 1974-75 as compared to Rs. 67.5 million in 1973-74. Many other chemical based exports that recorded growth in 1974-75, were processed minerals and refractories, rubber manufactured products, footwear, glass and glassware, ceramic, allied products and books and publications.

BIG RISE IN SUGAR EXPORTS

Even at the cost of domestic consumption, large quantity of sugar is being exported by India to reap the benefit of rising overseas demand for the product. During April-October 1974, the foreign exchange earned by the export trade in the line was of the order of Rs. 1180 million as compared to hardly Rs. 58 million in the same period of the year before.

During April-October 1974, the export value of centrifugal sugar was of the order of Rs. 297 million (over 100,000 tonnes). The major importer was USA (Rs. 229 million) followed by UK (Rs. 39 million) and USSR (Rs. 29 million).

Refined canned sugar was equally prominent in the export trade particularly to Iran, Sudan, Sri Lanka and South Yemen Peoples' Republic. The export value of this variety during the period under review was worth Rs. 882 million of which Iran absorbed as much as Rs. 563 million worth.

EXPANDING OVERSEAS DEMAND FOR SYNTHETIC ENAMELS

The first half of 1974-75 (April-September 1974) witnessed India's export trade in pigments, paints, varnishes and related materials earning foreign exchange more than that earned during the full year of 1973-74. The exports secured Rs. 35.30 million as compared to Rs. 32.75 million earned during 1973-74. The exports also registered over 100 percent improvement over the export performance during April-September 1973 at Rs. 16 million.

During the period under review, prepared paints, enamels, lacquers, varnishes and artists' colours accounted for the lion's share in the total exports. The group secured as much as Rs. 32.15 million as against Rs. 27.75 million during the full year of 1973-74. In the group, synthetic enamels alone contributed as much as Rs. 23.90 million while varnishes and other paints secured Rs. 4.25 million. Besides prepared organic

dyestuff pigment dry, prepared inorganic pigments, ready mixed paints, textile printing colours and artists' colours were the other items figured in exports.

USSR, constituted the bulk importer of synthetic enamels. During April-September 1974, Iraq, Fiji Islands, Kuwait, Bangladesh and Thailand were the other importers. Nepal was the largest buyer of paints. USSR, Kuwait, Dubai, and Fiji Islands were the principal importers for paints and varnishes.

During the same period, colouring materials, printing inks, were also exported to USSR, Japan, Bangladesh, Iraq, Syria and Thailand.

Contributing to the export endeavour of paints and varnishes industry in India, Dr. Beck & Company, Pimpri, Poona (Maharashtra) claimed record export performance of Rs. 45 million during their financial year ending June 1975. The company export range during the year included synthetic enamels, epoxies and epoxy cable joints. During the last 11 years, the company's total export earnings amounted to as much as Rs. 175 million. Besides USSR, which is the company's traditional and the largest buyer for these items, Iraq and Kuwait were its other significant buyers in the Gulf region.

AGREEMENT ON REGIONAL TRADE PROMOTION

India and five other developing nations of Asia have signed an agreement on trade liberalisation—the first of its kind; aimed at trade expansion through preferential trade arrangements. The agreement was signed at Bangkok recently by India, Laos, the Philippines, South Korea, Sri Lanka and Thailand, all developing member-countries of ESCAP (Economic and Social Commission for Asia and the Pacific).

Two other ESCAP member-countries, which took part in the month-long round of negotiations leading up to the agreement—Bangladesh and Pakistan—are expected to sign shortly.

INDUSTRIAL PROGRESS AND DIVERSIFICATION

INDIA TOWARDS MAJOR ECONOMIC EXPANSION

India's national income is to go up by 5 to 6 percent in 1975-76 as compared to the 2 percent growth rate achieved in 1974-75. A high growth rate is expected both in the agricultural and industrial sectors. According to the review of the current economic situation presented to Parliament by the Finance Minister, Mr. C. Subramaniam, "the Indian economy is now poised for a major phase of economic expansion."

The successful containment of inflationary pressures is considered to be a major achievement, with the latest available wholesale price index level being 2.1 percent lower than a year ago. According to the review, "India thus happens to be one of the few countries in the world which can claim to have a negative rate of inflation".

The available data for the first quarter of 1975-76 point to a significant acceleration of industrial production. Production figures for April-June 1975 show substantial increase in the output of a number of industries as compared to the corresponding quarter of 1974.

Aluminium production went up by 36 percent, sugar by 28 percent, saleable steel by 13 percent, cement by 16 percent, jute manufactures by 10 percent, coal by 17 percent, electricity generation by 7 percent. The overall rate of growth of industrial production during the first quarter of 1975-76 has been estimated at 5.5 to 6 percent.

The most outstanding growth rate has been in public sector output, which was about 14 percent higher in April-June, 1975, as compared to April-June, 1974. A number of public sector undertakings like Hindustan Machine Tools, Bharat Heavy Elec-

tricals and the Mining and Allied Machinery Corporation registered growth of more than 20 per cent in output.

The foodgrains production target has been fixed at 114 million tonnes for the current year of which about 69 million tonnes is expected to be produced during the kharif season. In order to achieve the target, emphasis is being placed on increasing irrigation facilities, better availability of power, fertilisers, seeds, plant protection, credit and technical knowhow.

The public distribution system for foodgrains and other essential items is being strengthened. The offtake of foodgrains from government stocks increased from 5,216,000 tonnes in January-June 1974 to 5,685,000 tonnes in January-June 1975. Controlled cloth is being distributed through 2,800 cooperative retail outlets, 75 percent of which are in rural areas.

In the field of fiscal development, the review states that the major concern of budgetary policy is to accelerate the tempo of investment without in any way undermining the recently achieved price stability. The plan outlay for 1975-76 has been increased to Rs. 5,9780 million which is 23 percent higher than the plan outlay for 1974-75. This investment will be concentrated in growth-oriented sectors of the economy.

The declining trend in the growth rate of money supply has continued. Bank credit to the commercial sector has been limited to Rs. 3190 million in the current year till July 11, 1975, compared to Rs. 5940 million in the corresponding period last year.

On the country's foreign trade position, the review states that "while our exports benefitted from increases in the world prices of many commodities, at the same time the upsurge in international prices imposed even heavier burdens by way of additional import costs which in the overall, more than offset the advantage of increased export realisation."

The provisional trade figures for 1974-75 showed marked increase in exports as well as imports. The

total value of exports during 1974-75 amounted to Rs. 3,2530 million as against Rs. 2,5230 million in 1973-74, an increase of 28.9 percent. Imports went up from Rs. 2,9250 million in 1973-74 to Rs. 4,3490 million in 1974-75, an increase of 48.6 percent.

The review said the import programme included a provision for sizeable imports of foodgrains to sustain the public distribution system and to build a buffer stock. Provision was also being made for import of other wage goods like edible oils.

Referring to agriculture, the report spoke of the new varieties of rice, jowar, bajra and the like being developed by the Indian Council of Agricultural Research and said that a total area of 30 million hectares would be covered under the high yielding variety programmes in 1975-76. This would represent an addition of three million hectares to the target of 1974-75.

The review referred to the substantial reduction in fertiliser prices and hoped that this step, along with an increase in the distribution margins for distributing agencies, would help increase consumption of fertilizers.

It also detailed the measures already initiated to implement that part of the new economic programme which was announced by the Prime Minister on July 1, 1975, relating to agriculture like fixation of land ceilings, provision of house-sites, ending bonded labour, liquidation of rural indebtedness, revision of minimum wages for agricultural labour and bringing five million more hectares under irrigation.

The review said that as a result of a new capacity of 2.6 million kws. of power against 1.7 million kws. added last year, two constraints on coal production would go, viz. transport and power. Coal output would be 98 million tonnes against 88 million tonnes last year, saleable steel 5.7 million tonnes against 4.9 million tonnes and phosphatic fertilisers 2.1 million tonnes against 1.5 million tonnes. Crude oil output would also be one million tonnes more.

It also referred to the possible breakthrough "In the next five to ten years" as a result of off-shore exploration. Apart from Bombay High, contracts had been awarded to two other groups of foreign companies.

Industrial production would also benefit from the substantial increase of 25 percent in the annual outlay for 1975-76. Project reports for new super thermal power stations would be soon ready for submission to appropriate international financial institutions. The review hoped that the output in small scale industry would go up considerably as result of the raising of the investment limit from Rs. 75,0000 to Rs. 1 million and for ancillary units from Rs. 1 million to Rs. 1.5 million.

It said there had been considerable improvement in the investment climate. Data pertaining to consents or acknowledgements for capital issues (excluding bonus issues) to the non-government companies indicated that during April to June 1975, sanctions for initial issues amounted to Rs. 257 million against Rs. 129 million during the corresponding period of last year.

Sanctions for further issues by existing companies also revealed a marked increase - from Rs. 98 million during April-June, 1974 to Rs. 176 million in April-June 1975. Total sanctions during the first quarter of this year amounted to Rs. 433 million against Rs. 227 million in the same period last year.

The review admitted that the budgetary deficit for the current year (as of now) would be "quite high" compared to the corresponding period of last year. This was partly due to special factors like purchase of fertilisers and food for which reimbursements had not been received. With these recoveries and the proceeds from market borrowings already announced, it said that the anticipated deficit would come down in the coming months.

Referring to monetary policy, the review said the gross bank credit excluding food procurement had shown a lower increase of Rs. 434 million com-

pared to Rs. 1395 million in the same period of last year. There was, however, no room for any complacency and strict discipline would have to be maintained.

The review said that the outlook for exports during 1975-76 seemed somewhat uncertain in view of recent developments in the world economy. A slackening in the rate of demand for India's exports could be expected because of the falling trend in commodity prices in international markets. Yet, there was no prospect of any respite from the impact of steeply increased import costs.

It hoped that the various steps being taken would succeed in sustaining a modest growth in export eight to ten percent increase in value.

Trade deficit in the first two months of 1975-76 (April and May) worked out to Rs. 1051.50 million against Rs. 2422 million in April-May 1974. It referred to the huge trade deficit of Rs. 10957 million in 1974-75 against Rs. 4019 million in 1973-74 and a surplus of Rs. 1034 million in 1972-73.

PRODUCTION EFFORTS IN ELECTRONIC COMPONENTS INDUSTRY

The Department of Science and Technology, Government of India have set up the Central Electronics Limited in June last year as a public sector enterprise in the manufacture of professional ferrites, ceramic capacitors and other electronic components that are needed in the radio and television sets as also other communication equipments. This organization (CEL) has also taken over the technology for the manufacture of professional ferrites and electro ceramic which was developed by the Electronic Components Production Unit of the National Physical Laboratory, New Delhi for further development in the line. CEL is to fill up the gap between the stage of laboratory development of a process and mass production. The intervening stages like engineering development tooling, pilot production

design, selection of jigs and test equipment and so on are all to be looked after by this public sector enterprise.

The CEL which will in effect would be the pace setter in electronic components industry, has applied to the Government for industrial licences for the manufacture of professional ferrites for telecommunication application, T. V. ferrites, microwave ferrites, memory core ferrites, ferrites for professional equipment and electro-ceramic components such as ceramic fixed capacitors, high voltage low current capacitors, feedthru capacitors, piezo-electric element housings for rectifiers, substrates for hybrid and monolithic integrated circuits and fluorescent digital tubes, headers for transistors and so on.

All these items which have been identified as priority items by the Electronics Commission are being currently imported into India. The commercial production of soft ferrites and other core material by CEL would considerably relieve the country's dependence on imports.

CEL is to produce 3 tonnes of ferrites in 1975-76, with the ECPU pilot plant taken over from the National Physical Laboratory. When regular production commences, 30 tonnes each of professional ferrites and electro-ceramics would be the annual production in the first phase (1976-78), which would be gradually stepped up to 100 tonnes each of them in the second phase (1979-81). CEL would also take up production of liquid crystal displays for use in electronic calculators, watches, clocks and other digital equipment. The company is also planning to establish a division for highly sophisticated electronic equipment and special purpose production machines for electronic components and materials.



DECLINING PRICE TREND IN INDIA

The emergency recently declared in India has had a salutary impact on the country's price line. There has been a country-wide decline in retail prices providing the relief to millions of house-holders. Reports from the various States in the country indicate that even in one week (ending July 11), the price decline for goods of every day use compared to the earlier week (ending July 4) ranged from 2 percent to as much as 18 percent. This refreshing trend is no doubt a direct result of the measures taken by the Government of India, but there was social discipline in the country which is evident in the stern action being taken against traders, black marketeers, hoarders, tax evaders and smugglers. But these dramatic results would have been possible but for the long-term fiscal and monetary measures initiated by Government to check the inflationary spiral.

A series of measures were taken since early July 1974 to contain inflationary pressures in the economy. As a short term strategy when supply is inelastic the focus would be on demand management. In the long run the focus would have to shift to accelerating economic growth through increased savings in investment as also increased productivity.

The short term policy measures taken by the Government consisted of restraints in the growth of money supply achieved through economy in non-essential governmental expenditure and restrictive credit policies; greater resource mobilisation through non-inflationary means to finance growth oriented core sector investment; augmenting the availability of essential commodities of mass consumption through increased imports; strengthening public distribution system and providing greater incentives to produce, save and invest. To supplement these measures, restraints on private consumption expenditure from additional wages and daily allowances, dividends and other income were made an integral part of the package of measures by promulgation of three ordinances in July last year.

From the beginning of 1974 upto September 1974 there was a rapid price rise in India which was triggered off by a combination of acute shortages of wage goods and excessive liquidity in the economy. The expectation of rising price in regard to anti-social practices fed the inflationary fire. The Government had to take determined action under MISA (Maintenance of Internal Security Act) and the Essential Commodities Act to curb such activities. Thus a multi prolonged attack on inflation has been launched by the Government of India to restore a degree of price stability.

There were also measures taken to mop up the excess liquidity in the country besides curbing the growth of money supply. The Reserve Bank of India administered certain credit control measures which helped to arrest monetary expansion and at the same time sustain the essential needs of production, investment and distribution. The impact of these measures helped to slow down the monetary and credit expansion. Over the years ending May 1975, money supply registered a growth of 5.6 percent which was for less than that in the preceding year (16 percent). During the busy season 1974-75 (November 1974 to April 1975), the expansion in money supply and bank credit worked out to 7.2 percent and 12.1 percent respectively as against 12.2 percent and 17.1 percent in the preceding busy season. The impact of these trends on the price level has been most favourable as a general declining trend had set in prices since the end of September 1974 till the first week of April 1975. While there was reassertion of the seasonal uptrend in price since the second week of April 1975, the uptrend became subdued late in May, was reversed in the week ending May 24, 1975 and showed a further decline in the week ending May 31, 1975.

The massive resource mobilisation efforts made by the Central and State Governments in 1974-75 have also helped to sustain a higher level of investment in the core sectors and also to meet inescapable non-developmental expenditures. However, the actual budgetary deficit of the Central Government in 1974-75 was Rs. 6960 million compared to the revised es-

timate of Rs. 6250 million, though, nearly half of it was non-inflationary, being on account of imports of foodgrains and fertilizers, financed by a draft on reserves and is, therefore, not in the nature of a normal budgetary deficit. The State Governments' deficit of Rs. 300 million in 1974-75 has also been on the lower side compared to that of Rs. 1750 million in 1973-74. In other words, both the monetary and fiscal policies adopted by the Government have been conducive to check inflation in the economy.

Equally effective has been the action against smugglers, black-marketeers and hoarders under the MISA and the Essential Commodities Act. In fact, the rounding up of persons indulging in these activities seems to have had a salutary effect on price expectations so much so that certain commodities began to be dehoarded and unloaded on the markets.

The impact of the various anti-inflationary measures taken started unfolding itself after the third week of September, 1974 when the Wholesale Price Index had reached a peak of 330.4. Since then the index started declining and continued to decline till April 5, 1975, even beyond the period during which prices normally decline due to seasonal factors. Since no such seasonal decline in prices had taken place in the preceding two years, the welcome reassertion of the seasonal declining trend and its prolongation could be legitimately attributed to the anti-inflationary measures. By April 5, 1975, the Index had declined to 306.1 registering a decline of 7.4 percent, since September 21, 1974. The annual rate of inflation which had reached 31.9 percent in the week ended September 21, 1974 had dropped to 2.8 per cent in the week ended May 31, 1975.

From the first week of April, 1975 to the week ended May 17, 1975, the price Index rose. Till May 17, 1975 it had risen to 313.6 and recorded an increase of 2.5 percent over the level reached in the first week of April, 1975, which, however, was less than half of the increase during the corresponding period last year. During the week ended May 31, 1975, however, the index fell by 0.3 percent to 312.2.

Judged by the nature of commodities in which price increases have been recorded, it appears to be a seasonal phenomenon.

While it is a matter of gratification that, thanks to the timely and firm action taken by Government, the rate of inflation has been brought down to a tolerable level, and the seasonal downtrend in prices reasserted itself this year after a break of two years, there is no room for complacency and none whatsoever for relaxing the country's monetary and financial discipline prematurely. A constant vigil and strict control are the only known methods of holding the rate of inflation within the margins of tolerance. There is no room for relaxing the measures which have been deployed to contain inflation.

The slack season credit policy for 1975 announced by the Reserve Bank also conforms to the overall objective of maintaining financial and monetary discipline. The Reserve Bank has impressed upon the banks the need to see that the non-food credit expansion during the slack season is minimal and that the resort to borrowings from the Reserve Bank for extending credit is also minimal. The Reserve Bank has been trying to impress upon the banks that credit deployment should be selective, the primary emphasis being on sustaining investment and assisting production in core sectors and other essential lines, as well as mass consumption goods and exports. The Government is also very anxious to step up exports and a comprehensive policy is being drawn up to give necessary incentives in crucial sectors which cover both traditional and non-traditional items.

The current year's good rabi harvest (winter crop) has been a welcome break from the past and is now estimated to be around 44 million tonnes. Under its impact, there has been some decline in prices of wheat, rabi oil seeds, etc. The procurement target for rabi cereals has been fixed at 5.5 million tonnes and over 3 million tonnes of foodgrains have already been procured. The out-break of the south-west monsoon has also been on time and if it progresses on its normal course, the prospects

for the kharif (summer crop) will also be good. Even so, as a measure of safety, Government has arranged for adequate imports of foodgrains to meet the requirements of the public distribution system.

The Government is fully alive to the needs of long-term growth and in pursuance of this objective, the Budget for 1975-76 has offered several incentives for saving and investment. The deductions to be made for income-tax purposes in respect of savings in the form of provident funds, life insurance, etc., have been further liberalised. Now 100 percent of the first Rs. 4000 of such savings are fully deductible for tax purposes plus 50 per cent of the next Rs. 6000 plus 40 per cent of the balance. To discourage withdrawals from provident funds a bonus scheme has also been introduced.

Since public investment leads private investment in a mixed economy like India's, an effort has been made to increase the size of the Annual Plan from Rs. 48440 million in 1974-75 to Rs. 59600 million in 1975-76 i.e. increase of 23 per cent. Correspondingly, the Central plan of Rs. 25580 million in 1975-76 will exceed the revised estimate of Rs. 21290 million for 1974-75 by Rs. 4290 million. While avoiding large scale deficit financing, the Central budget has made a selective approach in its investment policy giving priority to growth-oriented key sectors of the economy like agriculture, power, fertilizers, coal, petroleum and essential industries like cement, paper, ship-building and transport. The step-up in public investment is designed to improve the climate for private investment. With the same objective, the Companies (Temporary Restrictions on Dividend) Act, 1974 has also been suitably amended. So that while the payment will continue to be governed by the provisions of the Act and the deferred dividends can be paid in two instalments after the expiry of the original Act dividends in excess of the various limitations laid down in the Act can be declared. The amended Act also provides for payment of interest at 8 percent on the deferred dividends. □

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ENGINEERING EXPORTS SCALE NEW HIGH

Notwithstanding the domestic constraint such as raw material shortages, power cuts and shipping difficulties, India's export trade in engineering products has reached a new record level in 1974-75. In the first eleven months of this year, the engineering exports earned Rs. 3120 million which revealed an improvement of Rs. 1500 million or about 93 percent more over the exports of Rs. 1620 million in the corresponding period of 1973-74. It is expected that this uptrend will continue in the current year 1975-76 also.

Significantly the increase in the engineering exports was due not only to higher unit value realisation but larger offtake in terms of volume. The quantum index of exports of machinery and transport equipment, for instance, represented a rise of 60 percent in terms of volume while the unit value index was higher by 18 percent.

The larger export turnover of the engineering industry became possible owing to a uniform improvement in the exports of all the categories of engineering production in India. In the period under review (April-February 1974-75), the exports of metal manufactures increased by 67 percent from Rs. 408 million to Rs. 678 million; machinery other than electric by 102 percent from Rs. 388 million to Rs. 782 million; electric machinery by 109 percent from Rs. 241 million to Rs. 503 million; transport equipment by 85 percent from Rs. 298 million to Rs. 553 million; and other engineering goods by 114 percent from Rs. 281 million to Rs. 600 million.

On the basis of provisional official data, exports of engineering goods by the close of 1974-75 had achieved a level of Rs. 3530 million as against Rs. 2010 million in the year 1973-74.

Directionwise there has been notable increase in the exports of engineering goods from India to the Gulf countries particularly Kuwait, Iraq, Dubai and Saudi Arabia. The offtake by the European Common Market countries (ECM), the UK and West Germany also

registered sizeable improvement. The demand from a number of countries in Asia and Africa also proved to be better. Project exports as also the exports of construction services are stated to have immense potential particularly in the West Asian markets.

In order to sustain the growth rate of engineering exports in the years to come, the Government of India have taken quite a few measures in the recent past. The preshipment packing credit for certain medium and heavy engineering goods has been extended from 90 to 180 days. The policy of export on deferred payment terms has been liberalised. The procedure for allocation of indigenous steel for export production has been simplified; such categories of steel as are not available locally are being imported for the exclusive purpose of export production.

With a view to participating in the present large terms of construction of ports, harbours, airports, highways, bridges, hospitals, residential buildings and a variety of civic amenities in the Persian Gulf area, a number of steps have been initiated by the Government of India. The construction companies in India are being organised into consortia and their participation in the works abroad is sought to be facilitated to the extent possible. Besides the vast scope of Indian industry's taking part in the construction programmes abroad particularly in the West Asian region, the well developed wagons and coach building industry in India can also profitably offer its services to meet the development programmes envisaged in South East Asia, West Asia and Africa. There are even possibilities of India's assistance in the development programmes in some Western industrialised countries. There have been certain constraints in India's capacity to undertake the exports of wagons and coaches in the past. These constraints have been identified and vigorous steps taken to remove the same for promoting the exports. The constraints relate to non-availability of required specification of steel in time, insufficient capacity in production of wheel sets and roller bearings and lack of concessional advance for long enough periods. With the removal of these constraints, it is hoped that the Indian wagon building industry will be able to cope up with the increasing overseas demand for the same.

Engineering goods constitute an important growth point in India's foreign trade. The various measures taken by the Indian Government in the recent past will no doubt strengthen the base for the export in the line in the years to come.

TOWARDS AN AGGRESSIVE EXPORT DRIVE

Addressing a special meeting of the Board of Trade, an Advisory Body to promote India's external trade, the Prime Minister Mrs. Indira Gandhi called for an aggressive export drive which would be able

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NEW STRATEGY TO IMPROVE FOODGRAINS PRODUCTION

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to pay fully for the country's import needs. While the country's major aim would be to attain self-reliance, export trade would have to play an important role in this endeavour. She stated "neither the emergency nor our wish for self-reliance means that we want to shut ourselves away from the rest of the world. On the contrary, we want to expand and enlarge our economic relations with other countries. We want to do this very efficiently so that as early as possible we are able to pay fully for what we use and do not have to depend on any one to meet our deficits".

The Prime Minister stated that the country's foremost concern was to reduce the deficit on external trade account. In the short term, imports cannot be reduced as this itself might adversely affect the economy, hence the vital necessity of increasing the export earnings. The country should be prepared to achieve an annual growth rate in exports of at least ten percent or even more in volume. This could be done only by paying greater attention to cost reduction, by increasing productivity, by innovation and by willingness to bear risks and even face uncertainties. Growth in exports is an assured test of the efficiency of industrial sector. Having perhaps lived too long in an atmosphere of high cost shelter domestic market, it is time that the domestic industry should venture out into the world with a new spirit and dynamism and efficiency, said the Prime Minister.

Referring to the spectacular export performance of certain countries, the Prime Minister said that India should be considered to be in a favourable position now to launch an aggressive export drive with its diversified industrial structure and vast reservoir of trained man power. At the same time she emphasised that export was not merely a matter of incentive and no incentives could take the place of efficiency of production and a dynamic desire to make a name and to create confidence in the product. Also the Prime Minister has made emphasis on maintaining rigid standards of quality for export.

The Prime Minister said that even if a very few exporters donot conform to rigidly agreed standards of quality, it might bring the entire export trade into disre-

pute and affect the growth of exports of the country as a whole.

As regards the procedures of export and import trade, the Indian Prime Minister stated that import procedures have been simplified to some extent and this would be done on the export side also. She announced that the requirement of licensing for export would be done away with in respect of most of the commodities concerned. For the rest, procedures would be simplified drastically. In short, her Government was anxious that both policy and procedure should be simple, effective and easy to administer, the Prime Minister stated.

In his address to the Board of Trade meeting, the Minister of Commerce, Prof. D.P. Chattapadhyaya announced that the country's export performance in the first quarter of 1975-76 (April-June 1975) was of the order of Rs. 7849.40 million as compared to Rs. Rs. 6431.90 million during the corresponding period of 1974-75 representing an increase of over 22 percent. The Minister pointed out, however, that the global commodity boom which enabled India to achieve a breakthrough on the export front during the last three years was now petering out. Although the country's export trade achieved growth rate of 22 percent, 28 percent, and 29 percent in the last three years, a modest target of 10 to 12 percent has been set for the current year. But the 22 percent rise in exports of the first quarter of 1974-75 more or less conformed to the pattern of growth specially in recent years. The Commerce Minister said that because of higher import requirements, the balance of trade had registered large deficit inspite of significant increase in exports. The situation had worsened because of the present inflationary trends in most part of the world particularly in the developed countries. For developing countries like India a special and sustained growth in exports had therefore become central to the satisfactory functioning of the economic system as a whole. While appealing to the leaders of trade and industry who respond to the challenges faced by the economy particularly in regard to the need for promoting exports, the Minister pointed out that in a mixed economy like that of India, a large part of spectrum of trade and industry continue to be managed by the private sector and assured commitment that the expected priorities would be imperative.

INDIA'S EXPORT PERFORMANCE DURING 1974-75

India's export trade at Rs. 32530 million (provisional) indicated a rise of Rs. 7300 million or about 29 percent during 1974-75 as compared to the exports in the preceding year at Rs. 25230 million. The average rate of the country's export growth during the Second Five Year Plan (1956-61) was only 2.2 percent. During the decade of 1961-62 to 1971-72 the average annual rate was 4.1 percent. This trend in the growth rate was broken in 1972-73 and 1973-74 when the exports improved by 22.5 percent and 28 percent respectively.

As for country's import trade, it always exceeded the level of exports barring in the year 1972-73. They tended to decline between 1966-67 to 1969-70 but started rising gradually in the subsequent years. Due mainly to jump in world prices of oil, fertilizer, with larger requirement growing at a very high price, the value of imports rose to percent in 1973-74 and by another 49 percent in 1974-75. Consequently the deficit of India's foreign trade reached an unprecedented level of Rs. 10960 million in 1974-75.

The growth of Indian exports was, however, significant enough during 1973-74 and 1974-75 particularly when viewed in the context of the various constraint of the domestic supply of export products, namely, power cuts, shortages of raw materials such as steel, non ferrous metals, coal, fertilisers, oilseeds, raw jute and sugar cane as also pressures of inflation and transport bottlenecks.

On the basis of the statistics available upto February 1975, the increase in exports during April-February 1975 was due mainly to the combined increase in seven categories of exports namely sugar, engineering items, jute manufactures, tea, silver, chemicals and allied products and cashew kernels. Besides higher unit value realisation, the export of commodities like sugar, tea, jute manufactures, cashew kernels, rice, finished leather, raw jute, lac and tobacco have also witnessed quantitative increases in varying order. A marked increase was

recorded in the export of engineering goods during 1974-75 and this has been mainly on account of high volume of exports and partly on account of higher unit value realisation. In the first eleven months of 1974-75, the quantum of machinery and transport equipment group of exports was higher by about 60 percent and the unit value realisation was to the extent of 18 percent over the corresponding period of the previous year. In the case of chemicals there was a slight increase of about 2 percent in terms of quantum but a rise of 123 percent in unit value realisation.

The year 1974-75 was marked by a rise in Indian exports to all the regions but the highest increase was recorded to the African region. India's total export to Africa during April-February 1974-75 amounted to Rs. 1880 million recording an increase of about 121 percent over the exports in the corresponding period of 1973-74. Exports to Sudan rose from Rs. 161 million to Rs. 474 million and to Arab Republic of Egypt from Rs. 116 million to Rs. 374 million representing a rise of 195 percent and 223 percent respectively. The increase was chiefly due to sugar in the case of Sudan and sugar and tea in respect of ARE. Although India's trade with the Latin American region has been rather small, exports in the period under review went up by 92 percent. The distance between the two regions and the information gap about the markets are considered to be the main reasons for the modest trade exchanges. Exports to North America were higher by about 19 percent, rising from Rs. 3270 million in the first eleven months of 1973-74 to Rs. 3900 million during the same period of 1974-75. At Rs. 2490 million, the exports to USA were higher by about 16 percent. To Canada the exports at Rs. 410 million registered a rise of 52 percent. Exports to USA increased in respect of sugar, finished leather, engineering goods, footwear and clothing but were lower for cotton piecegoods, jute manufactures and cashew kernels. The exports to enlarged European Common Market during April-February 1974-75 were not as impressive as in the same period of the preceding year. As against a growth rate of 45 percent achieved in 1973-74 the exports to ECM in the first eleven months of 1974-75 at a total of Rs. 6180 million were higher by only 22 percent. Exports to UK increased by 44 percent from Rs. 2260 million to Rs. 2800 million. While the exports of

tea, tobacco, engineering goods, rice, finished leather and footwear increased those of cotton piecegoods, oilcakes, semi processed leather and cashew declined. Exports to West Germany and France also increased by 29 percent and 73 percent respectively.

The East European countries absorbed a total of Rs. 6090 million worth of Indian goods during first eleven months of 1974-75 representing a 42 percent increase over the corresponding period of the previous year. There was a large increase in the exports to the Soviet Union - from Rs. 2620 million to Rs. 3780 million - which can be attributed to the expansion of that market's offtake of jute manufactures, cashew kernels, finished leather, tea and coffee. USSR has emerged as a leading market of the year followed by USA, UK and Japan. Exports to Poland, Czechoslovakia also revealed uptrends while there was a decline in the exports to Bulgaria and Hungary.

The Asian Oceanic market accounted for nearly 35 percent of India's total exports during the eleven months of 1974-75. Exports to the ESCAP region (Economic and Social Council for Asia and Pacific) were higher by about 41 percent. In this region the decline in the exports to Japan was a unhappy development. This decline by 17 percent was mainly due to her reduced purchase of oilcakes, cotton piecegoods, fish and semi processed leather. There was however a pronounced improvement in the exports to Japan which rose by about 352 percent from Rs. 370 million to Rs. 1670 million in the comparable periods. This increase was mainly confined to sugar, tea, jute manufactures, cotton piecegoods, and cement. Including Iran, India's exports to Gulf region rose by almost three-fold.

CORRECTION

The description of the Austrian G.S.P. Scheme as given in Paragraph No. 8 of article on 'Generalised System of Preferences-Review of Progress' in this weekly of July 5, 1975 (Pages to 12) is no more correct, as it reflected the situation on the basis of Austrian Preferential Tariff Bill 1972. The Bill has since been amended to come into force from January 1975. This amendment has extended the General cut from 30 to 50 percent and includes cotton textiles for which a preferential tariff cut of 35 percent has been granted.

The mistake is regretted.

HIGHER UNIT VALUE REALIZATION FOR INDIAN EXPORTS

Most of the important items of India's export trade have witnessed improved unit value realisation in the recent months. The increase in the unit value has been particularly significant in respect of jute manufactures, tea, cotton piecegoods, iron ore, manganese ore, footwear, cashew, spices, raw cotton and finished leather. But the most significant rise in the unit value was in respect of sugar.

In the first eleven months of 1974-75, the unit value of jute manufactures was of the order of Rs. 5064 per tonne as against a little over Rs. 4044 per tonne in the corresponding period of 1973-74. On tea exports the unit value improved to Rs. 9.86 per kg. from Rs. 7.65 per kg. In respect of mill-made cotton piecegoods - the unit value was Rs. 3.52 per sq. meter as compared to Rs. 2.40 per sq. metre while for handloom cotton piecegoods, the improvement was upto Rs. 5.87 per metre from Rs. 4.7 per metre.

In the field of mineral ores, iron ore fetched more at Rs. 68.6 per tonne in the period under review in 1974-75 as against Rs. 55.75 per tonne in the corresponding period of the preceding year. In the comparable periods the unit value realisation of manganese ore was Rs. 164.5 per tonne compared to Rs. 118.3 per tonne and for mica Rs. 5.6 per kg. from Rs. 5.00 per kg.

A substantial increase in the price of cashew kernels was also recorded - Rs. 18215 per tonne as compared to Rs. 14157 per tonne. Similarly in regard to footwear (made of leather and canvas), the unit value rise was from Rs. 9.94 per pair to Rs. 11.34 per pair.

Indian spices also enjoyed keen overseas demand both in terms of value and quantum. While the average price of spices in the first eleven months of 1973-74 stood at Rs. 8670 per tonne, it increased to Rs. 11708 per tonne in the same period of the subsequent year. The escalation in the unit value was particularly evident in respect of pepper and cardamom.

Sugar exports fetched nearly Rs. 1267 per tonne in 1972-73. This improved to Rs. 1687 per tonne in

the subsequent year but in 1974-75 (April-February 1974-75) the price realisation per tonne was Rs. 4746.

An item which has recorded sizeable increase in its offtake in the recent years, namely, castor oil has witnessed downward trend in its unit value realisation in 1974-75 at Rs. 6907 per tonne as compared to Rs. 8541 per tonne in the preceding year. Similarly there was a fall of unit value realisation of silk, raw cotton and EI tanned hides and skins.

EXPORT TRADE IN SILVER

Indian exports of silver which were banned in 1973 are once again on the move to international markets. The ban has been lifted in February 1974. Since then the metal has come to make a mark on the export front.

The rise of prices in silver in international markets have provided the necessary fillip to its supplies from India. These exports during the first eleven months of 1974-75 amounted to Rs. 670 million (538,000 kg).

Silver exports from India are mainly directed to British market followed by France and Dubai.

EXPORT CONTROL REGULATIONS SIMPLIFIED

The Ministry of Commerce, Government of India, has decided to effect simplification and rationalisation in export control regulations in respect of as many as 190 items, the licensing formalities have been dispensed with. Some of these items have been completely decontrolled and others have been put on Open General Licence for exports.

The export control procedures have also been further simplified. An important change is that the fee payable on export applications has been abolished.

Export of human hair, wigs and wiglets has been decanalised and decontrolled, and eleven chemical

items, which were hitherto banned for export, will now be permitted to be exported.

MORE CONCESSION TO SMALL SCALE EXPORTERS

The Government of India have announced two concessions to small scale exporters of India, the first is that whereas other exporters have to give a bank guarantee for an account equal to 50 per cent of the value of the advance import licence, the small scale manufacturers can give a bank guarantee for 25 per cent of the value of advance licence. The second concession is that whereas in the case of other exporters, no bank guarantee is taken if the value of the advance licence is Rs. 0.5 million or more, in the case of small scale exporters, the bank guarantee has been waived if the value of the advance licence is Rs. 251,000 or more.

This has been informed by Shri Vishwanath Pratap Singh, Union Deputy Minister of Commerce while inaugurating a Seminar on 'Import and Export Policy vis-a-vis the Small Scale Industries' organised by the Federation of Associations of Small Industries of India recently. He asked the Federation to play a greater role in the rapid implementation of Fifth Plan. The small industries of India have been contributing in a great measure towards industrial development, specially as ancillary units for major industries. The small industries have also made a handsome contribution in augmenting foreign exchange earnings of the country and their exports were nearly worth Rs. 4000 million.

The Government of India attaches great importance to the small scale sector in gearing up its production to meet rising domestic demand and to contribute towards foreign exchange earnings. Export is the life line of the country's economy, specially when it is called upon to meet the increasing bill of vital imports.

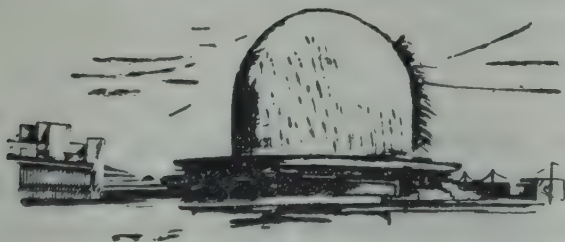
In order to promote the small scale units to consolidate their products in the export field, the units are permitted to set up consortia of their own to organise sales of their products abroad. In such cases, the

certificate of eligibility is granted to the consortia on the basis of the exports of its member-units; and the imported raw materials have to be disposed of by the consortia to its member-units for use in their factories for export production.

Certain innovations have been introduced in the current year's import policy to help small units. It has been made compulsory for eligible export houses that at last 5 percent of their total exports, on the basis of which they claim eligibility certificate as an export house, or Rs. 2.5 million whichever is lower, must be the products manufactured in the small scale sector. It has also been made incumbent on export corporations of State Governments that their exports must include goods manufactured by small scale sector for a value of at least Rs. 0.5 million and this should increase by at least the same value in each subsequent year.

The Government have also introduced a system of automatic licensing to eliminate delays in issue of import licences for raw materials and components. All actual users are now allowed to make their import applications for raw materials and components direct to the licensing authorities. The licences would be issued on the basis of value of consumption of the imported raw materials or actual value of licences obtained in the previous year. The entitlement of the 'select' industries has been increased by ten percent.

In the case of units whose export performance is 20 per cent or more of their production, licences are being granted up to the value of actual consumption irrespective of the value of licences obtained during the previous period.



INDUSTRIAL PROGRESS AND DIVERSIFICATION

INDIA AND WORLD INFLATION

In comparison with the high annual rate of inflation witnessed earlier, India has come to register minus growth rate now. In April 1974 the annual rate was 30.1 percent while in April 1975 it was 6.5 percent. As on July 19, 1975, the growth rate was minus 2.7 percent.

Excluding Socialist Countries, the annual rate of inflation was 14.6 percent in April 1974 and 14.4 percent in April 1975. The rate in developed nations was 12.3 percent in April 1974 and 11.8 percent in April 1975. For developing nations, the rates in the respective periods were 29.4 per cent and 26.8 percent.

In USA, the rate was 10.3 percent in April 1975 against 10.1 percent in April 1974. In U.K it was 21.7 percent against 15.2 percent, Argentina 68.5 per cent against 12.9 percent, Chile 371.8 percent against 747 percent and Yugoslavia 23.9 percent against 19 percent.

FIRST SUPPLY VESSEL FOR OIL COMMISSION LAUNCHED

The twin screw, 2000 BHP sea-going supply vessel is the first of its kind to be built so far in India. The basic design furnished by M/s. Schuller and Allan, U.S.A. was modified by Hindustan Shipyard to suit Indian conditions and rules. This supply vessel is built for the ONGC to transport fuel, lubricants, cement water, drill pipes, drill bits and other materials required for conducting drilling operations from the shore-base to the ONGC's self elevated drill ships at various drilling locations.

The first of the two supply vessels which M/s Hindustan Shipyard Visakhapatnam undertook to construct for the Oil and Natural Gas Commission of India has been recently launched. The Shipyard secured this order on competitive tender basis and the firm order was placed by the ONGC for these 2 vessels

scheduled for delivery in October 1975 and January 1976 respectively.

This supply vessel has a cabin accommodation for 32 persons including accommodation for 12 members who are required to be transported to and from the shore-base. All accommodation will be airconditioned. Further the vessel is equipped with a 200 HP Bow Thrust Unit for better manoeuvring at drill ship and also fitted with modern Navigational equipment such as Radar, Depth Sounder, Gyro Compass, Radio Communication equipment, etc. The vessel is expected to augment India's offshore drilling and exploration potential.

This is the seventieth vessel to be launched from the slipways of Hindustan Shipyard. The Shipyard has so far constructed and delivered 66 ships of different sizes including small crafts, aggregating over 5,95,000 tonnes deadweight. Launching of this ship closely followed the launching of 21,800 DWT vessel 'JAG DHARMA' in July, this year.

SHIP BUILDING POSITION IN INDIA

The Shipping Corporation of India and Mogul Line Limited, both public sector undertakings, have plans to synchronise their programmes for the acquisition of ships with operational plans in the shipping sector. They seek to identify shortages of various types of vessels and make efforts to acquire them so that there will be coordination between the availability of specific vessels to carry the required cargo.

India at present has a total operative tonnage of 3.9 million GRT with additional 1.9 million GRT on order. The third very large crude carrier which was earlier ordered on Yugoslavia had been replaced by three bulk carriers of 42,000 GRT each. In respect of five product-carriers now on order, the first one has already been received, second and third will be delivered by the end of the current year, and the rest, by August next year.

Fast mechanised loading plants one being set up at Marmugoa. Madras and Visakhapatnam. When in operation, each will acquire the capacity of increasing their loading capacity to 8,000 tonnes per hour. At Marmugao the fast ore-loading plant with a capacity of handling 8000 tonnes per hour was expected to be completed and commissioned next year. Another fast mechanised ore-loading plant has been taken up at the Madras port. This will also have a capacity of loading 8000 tonnes per hour capable of loading a 60,000 DWT vessel in a single day. At the Visakhapatnam fast loading plant, the construction of conveyor belt system was underway. By the end of the current year, the port will be able to handle five 4000 tonnes per hour which by next year would reach the installed capacity of 8000 tonnes per hour.

At Paradeep a draught of 39 feet has been achieved. A new general cargo berth has been completed, as also 80 per cent of the sea wall. The ore handling plant at Haldia was under erection.

As regards the Integrated Development Programme of the Hindustan Shipyard Limited and the Construction work at the Cochin Shipyard, about 81 per cent of the work has so far been completed at a cost of Rs. 60.70 million. The project was aimed at attaining a production target of 2.65 ships of Pioneer class vessels aggregating 57,000 DWT annually. The dry dock project of the shipyard has made some progress. The work on the dry dock of the shipyard is nearing completion. This would provide dry docking facilities for the ships constructed at the Yard before they are delivered to the owners and also to undertake underwater repairs on a large scale.

The planning and construction of the Cochin Shipyard is being executed with technical consultancy provided by Mitsubishi of Japan. The progress of work on shipbuilding has been completed on most of items except the building dock where the work is progressing.

STEEL PRODUCTION OVER A DECADE

Industrial growth holds the key for economic and social advancement. Metals and minerals, especially production of iron and steel, determine the pace of industrial progress. The first Industrial Policy Resolution of (April, 1948) underlined this and included most of the important minerals amongst industries requiring large investment and high degree of technical skill to be kept under the purview of Central regulation and control.

The Second Industrial Resolution of (April 30, 1956) heralded India's decision to build a socialistic society. The adoption of the socialist pattern of society as the national objective, as well as the need for planned and rapid development required that all industries of basic and strategic importance or in the nature of public utility services should be in the public sector. Other industries which are essential and require investment on a scale which only the State, in present circumstances, could provide, had also to be in the public sector. The State had therefore to assume direct responsibility for the future development of industries over a wide area. Schedule "A" of the resolution listed 17 industries of this category, being the exclusive responsibility of the State. This included iron and steel, heavy castings and forgings of iron and steel, heavy plant and machinery required for iron and steel production, for mining, for machine tool manufacture, and for such other basic industries specified by Government.

These two industrial policy resolutions and the successive Five Year Plans opened up a period of spectacular progress in the exploration and exploitation of the metals and minerals industries in the country. New institutions were established, new skills and technology acquired and the most modern technology harnessed for this purpose. The specific stages through which these industries developed can for convenience be divided according to the plan periods.

In the First Five Year Plan (1951-56) there was not much growth in the steel industry because the plan was essentially a collection of projects aimed at doing repair work in various sectors of the Indian economy. It also sought to prepare the necessary ground for the rapid development of basic and key industries in the later

plans. There was, therefore, no major expansion of steel development. Finished steel production by the three main steel plants increased marginally from 1.07 million tonnes in 1951 to 1.26 million tonnes in 1955. The increase came mainly from the Indian Iron and Steel Company (IISCO) where the expansions were completed in 1954.

Preparatory work was completed during the plan period for a major thrust in steel production in the Second Plan. This related to the establishment of three steel factories of one million tonne capacity each in the public sector.

The Second Plan (1956-61) can rightly be described as having launched India on the road of rapid industrialisation. The core of this was the establishment of three public sector steel plants with one million tonne capacity each at Rourkela, Bhilai and Durgapur. Being new to the field of steel making, these three projects were implemented with a large element of foreign assistance. Thus Rourkela steel plant was aided by West Germany, Bhilai by the Soviet Union and Durgapur by United Kingdom. Simultaneously, the private sector steel plant, Tata Iron and Steel Company was allowed to double its capacity to 20 lakh ingot tonnes and the Indian Iron and Steel Company to step up its capacity from 70,000 tonnes to 1 million tonnes.

But India had always the vision of becoming self-reliant in the matter of steel development, especially because she had abundant supplies of iron ore and coal. To outgrow the stage of having to accept "turnkey project" from foreign countries, largely because of the initiative of Jawaharlal Nehru, who is hailed as the architect of modern India, the Heavy Engineering Complex at Ranchi was set up to make plant and machinery for the future steel plants.

By 1959, all the three public sector steel plants had gone into partial production and the expansion of the Tata Iron & Steel Co: (TISCO) was completed. The expansion of IISCO was completed a year later.

The Third Plan (1961-66) saw further progress along the same line. For the establishment of the fourth integrated steel plant at Bokaro, it was decided to go ahead with this largely on the basis of self-reliance, although there was an element of Soviet assistance.

Simultaneously, the Central Designs and Engineering Bureau was developed at Ranchi to provide indigenous knowhow and technical consultancy for the development of steel industry in the country. This later transformed itself as a separate company called the Metallurgical and Engineering Consultants (India) Limited (MECON). MECON has now developed expertise in all aspects of steel consultancy, and is now in a position to supply steel consultancy not only to this country but to foreign countries also.

The Third Plan envisaged the establishment of Bokaro steel plant and the expansion of the other three existing steel plants. The difficulties encountered midway during the third plan period, because of the Chinese aggression and the domestic economic set-backs, contributed to the economy's inability to achieve the objectives set forth. The expansion of Rourkela, Bhilai and Durgapur took longer time than was earlier envisaged. The setting up of the Bokaro plant was considerably delayed and even the preliminary work could be started only in the Fourth Plan. Bokaro which promises to be the most gigantic of all the country's steel plants is expected to start producing steel in the later half of this year and the establishment of its capacity at higher levels is expected during the current plan period.

All these had resulted in a spectacular rise in steel production besides the other advantages of developing indigenously the knowhow and expertise. Progress in a vital sector like steel industry cannot be slowed down. There has always to be considerable forward planning because establishment of steel plant entails long gestation periods. Hence in the next 10 years, i.e. by the end of the Sixth Plan in 1983-84, it is proposed to develop the ingot and the saleable steel capacity for the country to 26 million tonnes and 20 million tonnes respectively. For this purpose, Bhilai Steel plant will be expanded from its present capacity of 2.5 million tonnes to 4 million tonnes. There will be continuous construction of the Bokaro steel plant from a capacity of 1.7 million tonnes to 4 million tonnes and then to 4.75 million tonnes of ingot steel per year. Two more integrated steel plants are proposed to be set up at Vishakapatnam in Andhra Pradesh and Vijayanagaram in Karnataka. Both of them together will add a little over another 5 million tonnes capacity.

Another notable achievement is in the production of alloy, tool and special steel. The country was practically dependent on imports in this field. Even in 1964-65, it was not producing any category of alloy or special steel. From that position it has now reached a stage at which the bulk of its requirements for alloy and special steels are met from production within the country. Much of the credit for this should go to the alloy steel plant established at Durgapur, the Mysore Iron and Steel Limited, Bhadravati, and a number of private undertakings. To meet further demand of special steel and alloy steel, it has been decided to establish another alloy steel plant at Salem in Tamil Nadu.

The expansion of steel technology is reflected in the large number of electric furnace steel units in several parts of the country. The capacity of these units is estimated around 4 million tonnes. No doubt, these mini steel plants as they are called are not out of their teething troubles but with the country's metallurgical research taking up the challenge, new methods of steel making in the smaller units are getting popularised. Production of saleable steel improved from 3.92 million tonnes in 1962-63 to 4.9 million tonnes in 1974-75.

Thus during the last 12 years, production of saleable steel increased only by about 25 per cent after the spectacular growth witnessed in this field during the second plan period when the capacity went up by nearly a million tonnes every year.

The performance in steel sector in 1974-75 provides convincing proof that in the years ahead, the country can catch up for the lost ground. This year witnessed a 12.6 per cent increase in the production of saleable steel and the target fixed for the performance next year is still higher at 16 per cent. Among the innovations introduced in the early seventies to improve the performance in the steel sector was the establishment of a holding company, Steel Authority of India Limited (SAIL) charged with the following specific objectives: To plan, promote and organise an integrated and efficient development of the iron and steel and associated industries, such as iron ore, coking coal, manganese, limestone, refractories, etc. in accordance with national economic policy and objectives laid down by Government from time to time, to coordinate the activities of the subsidiaries, to determine their economic and

financial objectives/targets and to review, control, guide and direct their performance with a view to securing optimal utilisation of all resources placed at their disposal, to act as an entrepreneur on behalf of the State, to identify new areas of economic investments and to undertake or help in undertaking of such investments and to formulate and recommend to Government a national policy for the development of iron and steel and related input industries and to advise it on all policy and technical matters.

Considerable reorganisation and coordination has been put through during the 2 1/2 years since SAIL was established. Production has been stepped up; there has been an increase in the overall availability of steel; profiteering by middlemen has been effectively checked; the financial viability of the producers has improved; imports have been reduced and exports increased. A firm plan for future steel development programme has also been drawn. Special attention is being given to improving the industrial relations in the steel sector. Long term wage agreement covering all the integrated steel plants has been concluded with the representatives of Central trade unions and other recognised unions.

NEW STRATEGY TO IMPROVE FOODGRAINS PRODUCTION

India's rabi (winter) crop foodgrains production in the current year, estimated at 44 million tonnes is an all time record. Rainfall so far has also been almost normal in most parts of the country. It has been helpful for the extensive sowing of kharif crops. Coupled with this favourable weather and better supply position of the inputs, a good kharif (summer) crop is expected this year. The availability of foodgrains has now increased and the prices have also declined.

As the country's economy primarily depends on agriculture, stress has been laid on increasing agricultural production particularly that of foodgrains. This year for the production of foodgrains, a target of 114 million tonnes has been fixed. To achieve this target several measures have been taken. Major reliance is placed on stepping up productivity by higher and

efficient use of fertilisers and improvement in cropping system specially in the eastern States. An additional production is also expected by increasing the gross cropped area, maximum utilisation of irrigation potential and soil conservation and reclamation of agriculture land.

Kharif production accounts for 60 to 64 percent of the total production of foodgrains and rice is the most important crop. It accounts for about 65 to 66 per cent of the total foodgrains production during kharif. However, the productivity of rice in India (1151 kgs. per hectare) is quite low when compared to the productivity in other advanced rice-growing countries of the world. In India itself, there is a wide variation in the yields, obtained in different States—the productivity varies from 792 kgs. per hectare in Madhya Pradesh to 2298 kgs per hectare in Punjab. The productivity of rice in Punjab, Haryana, western Uttar Pradesh and Tamil Nadu compares favourably with productivity in other countries, but it is very low in Assam, Bihar, Orissa, eastern U.P., West Bengal and Madhya Pradesh.

One of the major reasons for the lower productivity of rice, particularly in the eastern States, is the late sowing of crop. Field trials have proved that by advancing the sowing date, the yield improves and at the same time the field is vacated early for the timely sowing of wheat and other crops. To induce farmers to take up early planting of rice, a pilot scheme has been undertaken for raising community nurseries in the rice growing States of Bihar, Assam, Orissa, West Bengal, Madhya Pradesh, U.P. and Andhra Pradesh. Under this programme, community nurseries are raised on farms with assured irrigation for supply of seedlings to the farmers for transplanting at the proper time.

To popularise the new varieties, a major extension effort was undertaken. A minikit programme of rice was launched under which minikits of 2 kgs. of seeds of each of two new varieties were distributed to the farmers to find out their reaction before the large scale introduction of these varieties. This programme proved quite a success. Based on this experience, the minikit programme have been launched from the Fifth Plan for other crops such as maize, jowar, bajra, ragi and wheat. The programme has been intensified during the current kharif season.

As against the highest ever consumption of 2.8 million tonnes of fertilisers in any year, a target of 3.6 million tonnes has been fixed this year. To ensure the availability of fertilisers, necessary imports have already been arranged and domestic production is being geared up. Bottlenecks in the distribution of fertilisers are also being removed. These measures are likely to increase the consumption of fertilisers.

High yielding varieties have a higher plant population. Under such a situation in the monsoon season, pest build-up takes place. To keep pest incidence under control, particularly in endemic areas, the Government have decided to build up an effective pest surveillance and warning services. Efforts are being made to collect information on pest build-up on a systematic basis and warn the farmers for taking timely control operations.

An assessment of the requirements of seeds of various crops in different States was made. Wherever there was a deficit, arrangements were made for timely supply of required quantity of seeds by the seed-producing agencies.

Detailed advance planning for various crops was undertaken and a calendar of operations prepared. Varieties suited to the various agro-climatic situations were identified and training of extension personnels and farmers on a large scale has been organised. This

is being followed by visits of teams of experts to selected villages to demonstrate the recommended package of practices.

The south-west monsoon (June to September) has set in during the current year in various parts of the country, more or less, on time. The total rainfall during the month of July, which is the critical period for sowing of crops has been normal or in excess of normal in all parts, except Arunachal Pradesh, Assam, Meghalaya and Orissa. Experts indicate that the power situation will be much better during the current year and adequate supply will be available for tubewell irrigation.

Measures have also been taken to increase the rabi production in which the major contribution is from wheat. To increase its production and productivity, it is necessary that the modern production technology is adopted by majority of the farmers. To ensure this, comprehensive training programme is being drawn up for various levels of extension workers. Assessment of the requirements of seeds, fertilisers and pesticides has been made. Whereas in the traditional wheat growing States, efforts will be made to increase the productivity, in the non-traditional areas, emphasis will also be laid on increasing the area under wheat which is already becoming popular. In West Bengal alone the area under wheat increased substantially during the last two or three years.

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EXPORT PROMOTION OF ENGINEERING PROJECTS AND EQUIPMENT

Exports by the Projects and Equipment Corporation of India (PEC) have increased to Rs. 196 million during 1974-75 as against Rs. 95-60 million during the last year. The target for exports for 1975-76 is placed at Rs. 327 million, out of which exports worth nearly Rs. 100 million have already been made during the year.

PEC has recently re-doubled its efforts to penetrate into new markets and to diversify and expand exports. At present, it has export orders worth about Rs. 680 million in hand, out of which orders worth nearly Rs. 250 million have been secured since April 1975. These orders include supply of textile machinery, electrical sub-stations and distribution equipment, railway wagons, coaches etc.

For the first time, the PEC will export diesel locomotives from India. A contract to this effect was

initialled with the Tanzanian Government last month for export of 15 diesel locomotives valued at Rs. 65 million. An entry has also been made in Iraq for securing an order for supply of castings valued at about Rs. 6 million.

The Projects and Equipment Corporation, which was set up in April 1971 as a subsidiary of State Trading Corporation of India by taking over the engineering and railway equipment divisions, exports, all types of quality, engineering and railway equipment including wagons, passenger coaches, textile machinery, electric transmission and distribution equipment, machine tools, diesel engines, compressors etc., during 1974-75. The PEC exported textile machinery worth about Rs. 40 million to South Korea. This was against an order for supply and erection of spinning and weaving mill equipment valued at about Rs. 75 million. The total supply will be completed during the current year. A contract placed in September 1974 for supply of 50 railway passenger coaches to Bangla Desh was completed by March 1975.

INDIAN EXPORTS IMPROVE QUANTITATIVELY

The quantitative increase in India's exports in 1974 was nearly double the rate of growth of world exports. The volume index of the country's exports in 1974 registered a 10.9 percent increase over 1973, as against the rise in quantum index of world exports in 1974 by 0.5 percent.

Although India's relative share in world exports, excluding Centrally Planned Economies, declined to 0.5 per cent in 1974, as compared to 0.56 per cent in 1973. This was because of the higher weightage in global trade of the exports of oil producing countries, which witnessed a phenomenal growth last year. Excluding these countries, India's share in the rest of the world was marginally higher at 0.61 percent in 1974 compared to 1973.

According to India's Commerce Minister Prof. D. P. Chattopadhyaya, the export trend in the current financial year 1975-76 is hopeful. He pointed out that during the first quarter of 1975-76, India's exports had registered an increase of 22 per cent over the level attained during the corresponding period last year, and the deficit in the balance of trade has also registered a decline during this period as compared to 1974. India's export performance was all the more noteworthy in the context of the sagging international prices of most primary commodities.

While admitting that there had been severe inflationary impact on the economy and some of the special advantages enjoyed by the Indian exporters had been eroded, Prof. Chattopadhyaya said that the rate of inflation in India had been distinctly lower than it had been in European countries or even in a neighbouring country like Pakistan.

TOWARDS BETTER TRADE RELATIONS WITH WEST EUROPE

With a view to promote commercial relations between India and West Europe a three-day meeting of commercial representatives in Indian missions in the West European region was held in London recently under the Chairmanship of India's Commerce Minister, Prof. D.P. Chattopadhyaya.

In the course of the last two years, the Minister of Commerce has been holding separate meetings with

commercial representatives based in different regions as part of exercise to assess changing commercial prospects, to re-adapt, wherever necessary, India's export policies. These discussions in the past have proved useful in imparting greater realism to the formulation of India's exports programmes. Prof. Chattopadhyaya has already completed the meetings with the Commercial Representatives based in East Europe, South Asia, West Asia and North America. West Europe is the only remaining major trading area in which India has substantial export prospects.

In fact, West Europe occupies an extremely important place in India's foreign trade. In the last five years, nearly 25 per cent of India's global exports were directed to this region. In 1971-72, Indian exports to West Europe were Rs. 4900 million as against the global

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INDUSTRIALISATION IN INDIA SINCE INDEPENDENCE

10

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exports of Rs. 19700 million, in 1973-74 Rs. 6690 million as against Rs. 24830 million and for the period April-December 1974-75, Rs. 5700 million as against the global exports of Rs. 23450 million.

The meeting of the Commercial Representatives, among others reviewed the utilisation of Generalised System of Preferences so far and the methodology and procedures for making a fuller use of the opportunities. A review was made on India's bilateral trade agreements with various countries. Targets envisaged for various commodities during the Fifth Five-Year Plan were critically examined in view of market demand and market absorption possibilities in the selected West European countries.

West European markets being highly complicated and sophisticated, a special emphasis was laid on various promotion measures like Commercial Development Programmes in various countries, Special Trading Arrangements, participation in Specialised Exhibitions and Fairs and so on. A review was also made of the possibilities of further industrial cooperation with these countries and also possibilities of economic co-operation in third countries. The long term implications of the recent Lome Convention between the EEC and the ACP (African, Caribbean and Pacific countries) was examined. An assessment of the attitude of the countries in this region to the MTN (Multilateral Trade Negotiations) in the GATT, and their views in respect of the forthcoming Special Session of the UN Economic Development was made.

Among the West European countries, EEC countries are India's main trading partners. Out of total exports of Rs. 6690 million to West Europe in 1973-74 the EEC countries accounted for Rs. 5940 million. Among the EEC countries, UK is the main importer of India's goods due to a large extent to historical and traditional reasons. Exports to UK amounted to Rs. 2580 million in 1973-74, i.e., nearly 40 per cent of the total exports to West Europe. The other leading trading partners are FRG, Netherlands, Italy, France and Belgium.

India's major items of exports to West Europe are textiles, leather and footwear, tea, pearls, precious and

semi-precious stones, tobacco unmanufactured, engineering goods, jute manufactures, floor coverings and carpets, coffee, fish and marine products etc.

While traditional export items like tea, tobacco unmanufactured, pearls, precious and semi-precious stones and so on need continuous watch and efforts to increase exports, India's utmost endeavour is to increase the exports of non-traditional goods in the field of engineering, chemicals and basic chemicals, finished leather and footwear, ready-made garments, and marine products.

INCENTIVE TO PROMOTE ENGINEERING EXPORT

The Government of India have recently decided to withdraw the 25 percent added-value scheme for 12 engineering items, the production of which is entirely dependent on indigenous steel. This is intended to help the industry in improving the contracting position of these engineering products and boosting exports. The engineering products for which the prime steel category required by the export manufacturer is wholly met from indigenous production and import of which is not allowed at present, there will be no value-added requirement.

Under the 1975-76 Import Trade Control Policy, the steel categories to be imported for export production were restricted following the improved availability of indigenous steel.

The engineering products which are entirely dependent on indigenous steel for export production and have been included in this scheme are : Barbed wire; mild steel bolts, nuts, rivets, woodscrew, machine screw, wire nail and panel pins; iron castings; mild steel tension bars and fencing components; railway track fasteners, fittings and accessories (other than bolts and nuts); mild steel pipes and tubes (other than ERW precision and mechanical tubing); steel tabular poles; cast iron and malleable iron pipe fittings; steel welded mesh; mild steel arc welding electrodes; steel bright bars, and shaftings of mild steel and steel wire gauze mesh and nettings.

The Engineering Export Promotion Council will now be required to make recommendations for allocation of steel for export production of these engineering items, without insisting on value addition, but subject to floor prices to be fixed. The Council has also been asked to ensure that there is no recommendation for import of steel for the export production of these items.

The exports of India's engineering goods have made a notable advance during 1974-75 despite constraints on production like powercuts, shortages of certain types of raw material and shipping difficulties. The value of exports in the last financial year is estimated to be Rs. 3530 million as against Rs. 2013 million in 1973-74 registering an increase of more than Rs. 1500 million.

Directionwise, there has been a notable increase of India's engineering goods exports to Gulf countries mainly to Kuwait, Iraq, Dubai and Saudi Arabia. The off-take by ECM countries particularly UK and West Germany also registered significant increase. The demand from a number of countries of Asia and Africa was also better.

INDUSTRIAL DEVELOPMENT & DIVERSIFICATION

INDIA'S INDUSTRIAL LICENSING POLICY

The basic framework of India's industrial licensing policy is provided in the Industrial Policy Resolution 1956. The Resolution emphasises that the industrial policy of the economy aims essentially at accelerating the economic growth and the tempo of industrialisation. In particular it seeks to develop heavy industries and machine making industries, expand public sector industries and provide for the widest diffusion of ownership and management in private sector. The Resolution underlines the need for prevention of private monopolies and the concentration of economic power, improving the role of small scale industries and aiming at balanced industrial development. The Resolution also classifies industries into three broad categories namely those, the future development of which would be the exclusive responsibility of State, those which would be progressively State owned and the remaining in

respect of which future development would be left to the initiative of entrepreneurs of the private sector.

While all industries of basic and strategic importance or in the nature of public utility services would be in the public sector, the manufacture of specified items is reserved for units in the small-scale sector, with investment in machinery and equipment upto Rs. one million (in case of ancillary industries upto Rs. 1.5 million). India's industrial policy seeks to encourage competent small and medium industries and such entrepreneurs would be preferred to larger industrial houses and foreign majority companies in the context of setting up new capacity for manufacture.

Large industrial units with assets of not less than Rs. 200 million fall under the scope of Monopolies and Restrictive Trade Practices Act, (MRTP) 1969. Such houses would be eligible to participate in and contribute to the establishment of selective industries, for the purpose of industrial licencing. They could however be considered for issue of licences provided they would undertake a minimum export obligation of 60 per cent of the new or additional production which would be achieved within a maximum period of three years.

Foreign concerns would be eligible to participate in the establishment of industries in the same manner as large industrial houses, under MRTP Act. Their investments would be examined with reference to technical aspects, export possibilities and the overall effect on the balance of payments.

Besides these categories of investors, Government of India's Policy of industrial licensing in regard to joint sector is decided on the basis of the objective of Industrial Policy, 1956 viz. reducing concentration of economic power. In appropriate cases, the Centre and State Governments have taken equity participation, either directly or through their Corporations, with private parties. Some joint sector units have come up in this manner. However, the joint sector is not permitted to be used for the entry of large houses, Government undertakings and foreign companies in industries in which they are otherwise precluded on their own.

BOMBAY HIGH GETTING READY FOR COMMERCIAL EXPLOITATION

The Oil & Natural Gas Commission are getting set to establish an annual production of 1.5 to 2 million tonnes of crude oil from the Bombay High by the end of 1976.

The first stage of development of the Bombay High field envisages the drilling of 14 to 16 wells which would be completed on four fixed platforms. These platforms would be connected to a single buoy mooring system through submarine pipelines so that oil could be loaded in tankers for transport to the main land.

To implement this programme, the Commission have placed orders with McDermott company for a turn key job including the fabrication and installation of four wells-cum-production platforms, the supply and installation of the submarine pipeline system as well as installation of two single buoy moorings which have already been ordered from a Dutch firm. McDermott are a leading firm in this field and have their fabrication yards in Dubai.

Five exploratory wells have been drilled on the Bombay High structure so far, all of which have proved to be of oil bearing.

Sagar Samrat, the drillship that was responsible for the discovery of the oil in Bombay High will be joined soon by Haakon Magnus, the Norwegian semi-submersible and Dalmahoy, the British drillship. It is expected that with the acquisition of these two additional offshore rigs, the pace of drilling in the offshore areas will be further accelerated.

India has 3,90,000 sq. km. of continental shelf which has been divided into 10 blocks for the purpose of oil exploration. While ONGC has taken up exploration operations on its own in the Bombay High, contracts have been awarded to two foreign firms, Carlsberg India Group and Reading & Bates Group for exploration of crude oil and natural gas in the Bengal and Kutch basins respectively.

SHIPPING CORPORATION OF INDIA—RECORD OF ACHIEVEMENT

Some of India's most successful public sector enterprises are competitive in international conditions. The Shipping Corporation of India, is among the largest shipping lines of the world. The Corporation has endeavoured to achieve its objectives in the country's interests : both in terms of fleet expansion so as to increase India's share of her seaborne trade and earning higher profits and the much-needed foreign exchange.

In less than a decade and a half, it is quite an achievement for the Corporation to have crossed the 3 million deadweight-ton mark, to own a fleet of 122 vessels with another 19 vessels of 1.8 million deadweight-ton on firm order and to account for over 51 percent of total Indian tonnage.

The Shipping Corporation believes that the country's prosperity can be maximised by placing its orders, as far as possible, within the country. With that end in view, it has got as many as 26 cargo vessels built at the Hindustan Shipyard, Visakhapatnam. Its luxury passenger liner, HARSHA VARDHANA, was recently built by M/s. Mazagon Dock, Bombay. Only a fortnight ago the Corporation signed a big contract with the Cochin Shipyard for building a 75,000 deadweight-ton bulk carrier. These are happy trends and they will contribute materially to the building up of India's shipping and ship building industries, both of which are complementary in achieving the country's maritime prosperity.

SCI has planned its fleet in a diversified manner—a fleet of 72 liner vessels, 16 tankers, 16 bulk carriers, 8 combination carriers, 6 passenger vessels and 4 other vessels. Of the total fleet, 16 are vessels of more than 50,000 deadweight-tons. Some of these have been employed profitably in importing bulk cargoes like crude oil and petroleum products, foodgrains, fertilisers etc. effecting thereby considerable foreign exchange savings.

In order to maximise such foreign exchange savings, as also as a step towards self-reliance, it has been planned, in collaboration with Indian Oil Corporation and Hindustan Petroleum Corporation, to bring

90 percent of crude required by the country in its own vessels. Bigger vessels, which cannot enter Indian ports owing to draft restrictions, will bring cargo to a certain point along the coast and offload their cargo into smaller vessels. This process will not only ensure that the country's vessels bring the full load of crude oil and save foreign exchange, but this will give employment to her smaller vessels as well as to her big ships. Significance of the employment for larger vessels of the Indian fleet has to be viewed in the context of the recession in the United States, Japan and other parts of the world.

Large bulk carriers are also being employed, on an experimental basis, for loading far out in the deep sea iron ore from Marmugao from mobile loading platform into ships. These experiments have been successful. With the commissioning of the Vizag outer harbour some time late this year and the ore berth in the outer harbour in Madras Port to handle larger vessels, it would be possible to utilise our large bulk carriers for carrying ore to various destinations. The Corporation has the capacity to carry more than 50 percent of ore exported from India.

A few statistics would be worthwhile to quote in order to show how the Corporation's vessels have been serving the national trade. In 1972-73, its vessels carried 1,81,220 tons of imported foodgrains; in 1974-75 this figure increased to 5,67,000 tons i.e. by 214 percent. Import of other bulk cargoes like fertilisers, sulphur, rock phosphates etc. in our vessels also increased from 2,20,000 tons in 1972-73 to 4,02,000 tons in 1974-75. Its vessels also carried 8,62,000 tons of crude oil and oil products during 1972-73, 23,30,000 tons in 1973-74 and 46,53,000 tons in 1974-75. This is bound to be much more during 1975-76.

The Corporation's record of service has not only brought credit to the country, but amply demonstrated the successful working of the public sector in India. In 14 dynamic years, SCI has earned or saved foreign exchange worth Rs. 3760 million in highly competitive world markets, and ploughed back Rs. 1680 million into its own business by March 1975, as against a total financial outlay of Rs. 5420 million and the equity capital of only

Rs. 279.50 million invested by the Government. It has maintained an unbroken record of profitability, making net profits totalling almost Rs. 900 million. It is running several promotional services in the larger national interest. The Corporation has an investment of about Rs. 4250 million in the fleet which is today the nation's assets.

INDIA'S ACTION PLAN ON ENERGY FRONT

The energy sector in India has assumed an added importance in the context of the urgent implementation of the Prime Minister's 20-Point Economic Programme. In India, the growth rate of energy would have to remain high if the programmes in the agricultural and industrial sectors are to be implemented. In the past, the growth rate of energy consumption in India has been between 7 to 8 percent a year, and it would not be desirable to reduce this rate, as it will jeopardise the development programmes necessary to achieve the country's socio-economic goals. About 45 percent of energy consumption in India is met from non-commercial sources like animal dung, vegetable wastes and fire-wood. In the rural areas most of the energy consumed is non-commercial. However, for obvious reasons, the rural areas must increasingly be enabled to use commercial energy. The energy policy has, therefore, to be devised to meet not only the requirement of growth generally, but also to specifically take care of the problems of the rural areas.

Rural electrification is essential for the socio-economic development of rural areas in the country. Rapid progress has been achieved in this respect since the commencement of the planned economy in 1951. In the Draft Fifth Plan, it has been proposed to allocate an outlay of over Rs. 10,980 million for rural electrification. The proposal is to cover 110,208 villages and set up 1.5 million additional pumpsets.

The main sources of commercial energy are coal, oil and electricity. India has known coal deposits exceeding 80 million tonnes. The country's present level of consumption is only about 88 million tonnes per year, and this includes the need of coal for the power sector. It thus has enough coal to meet its energy needs for well over a century. Therefore, coal must be recognised as the primary source of energy in the coming decades. But enough coal must be produced to meet the needs of the growing rural economy, and also ways and means should be explored for the utilisation of coal more efficiently. Coal is being used for producing electricity, which is the most versatile form of energy available today. Coal can also be used for producing gas, which can serve as a source of chemicals as well as a fuel. In these ways, coal can provide a substitute for oil in some sectors of activity. Technology for converting coal into petroleum has also been developed, though it is not as yet commercially a very attractive proposition. Research activities in these areas will have to be intensified, so that coal can be used to substitute petroleum products to the maximum extent possible.

There are possibilities of improving the efficiency of converting coal into electricity. Research work is being done in various areas like fluidized bed technology, the combined cycle for power generation and the magnetic-hydro-dynamic technique for power generation. In future India will have to plan for constantly improving the thermal efficiency in converting coal into electricity.

The Government of India have recognised the importance of coal, and in 1974-75 the coal production increased by over 10 million tonnes. This was a major break-through, after several years of near stagnation of the coal industry. It has enabled Government to fix the production target of coal at 98 millions tonnes for 1975-76. This rate of progress would enable us to achieve the Fifth Plan production target of 135 million tonnes.

Along with the use of coal as a primary source of energy, the potential oil bearing areas of the country is also to be explored. So far, the extent of exploration has been very limited. Vast areas still remain to be drilled. The success in the exploration for oil in Bombay

High has raised hopes that India would progressively meet a larger proportion of oil consumption from indigeneous sources. Efforts are continuing to be made to find and prove oil deposits in other parts of the country so that total self-sufficiency may be reached in this vital area.

Long term policy for energy production in India cannot but plan for the use of solar energy. The country is fortunate in having climatic conditions which are eminently suited to the development of solar energy. Solar energy has particular importance in the rural areas for meeting the needs of irrigation pumping, de-hydration of food stuffs, running small cold storages, and so on. It should even be possible to install small power generating units, based on solar energy, for meeting the electricity needs of small and isolated villages. Research work for developing solar energy has been taken up.

Along with solar energy, geo-thermal energy also has importance in India. Geo-thermal energy is clean and a comparatively inexpensive source of power. A great deal of research and development work has to be done for developing the full possibilities of utilising geo-thermal energy.

Another non-traditional source of energy is wind power. In India, wind velocities are generally low, and therefore, production of electricity energy is not economic. However, in some of the hilly areas of this country, wind power may prove to be the cheapest means of energy production since the wind velocities are higher in such regions and no cheap alternative way of providing energy is usually available.

In the rural areas, bio-gas offers a rich potential for development. The cattle population in this country is very large, and bio-gas plants, besides offering a clean and convenient fuel, also produce rich organic manure for the fields. The installation of bio-gas plants has been speeded up.

FEMININE WORKFORCE IN INDIAN INDUSTRY

According to 1971 census, the total female working population in India was 31.3 million out of a total working force of 180.4 million and constitute only 11.9 per cent of the total female population. Over 80 per cent of the women are employed in agriculture, according to a publication entitled 'Women in Industry' brought out by the Government of India recently.

In public sector, the growth rate of women employees was 7.2 per cent in 1973-74. About 420,000 women are members of Trade Unions out of total membership of 5093,000 in 1968.

Nearly 214 million women constituting about 81 per cent of the total female population belonged to rural areas. About 89 per cent of the working population of women in the country is reported to be gainfully employed in agricultural or non-agricultural pursuits in the rural areas. This shows that large number of women are sharing the limited employment opportunities with men in the rural areas, due to economic stress. These women workers are mostly drawn from the poorer strata of the rural society comprising mostly the landless agricultural labour households.

Opportunities for self-employment for women labourers in agricultural occupations are obviously very few. A woman agricultural labourer was reported to be self-employed for 18 days during 1964-65 out of which as many as 8 days were accounted for by cultivation.

Apart from agriculture, the factory industries accounted for the largest employment of women in the organised sector. But the percentage has gone down from 10.37 in 1963 to 8.73 in 1972. The major States employing women in factories were Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu and West Bengal.

In mines no woman worker is employed below ground. On open cast working the percentage of women workers has decreased from 28.6 in 1968 to 26.1 in 1972. The percentage of women workers employed above ground also show a declining trend. Among plantations, the bulk employment of women is in tea followed by coffee and rubber.

One of the striking features of organised sector has been the steady increase in the absorption of women, particularly in the public sector. The number of women employed in the organised sector was 2.19 million out of a total employment of 19.28 million as on March 31, 1974. Besides a large number of women employees were engaged in the tertiary sector like Trade and Commerce, Transport, Storage and Communication and Services. The Services division alone accounts for about 50 per cent of the total employment of women in the organised sector. Manufacturing industries also employs nearly 20 per cent of women employees.

National Employment Service registered 6,13,437 women job-seekers during 1974 and the vacancies notified exclusively for women were about 32,000. The number of women placed in jobs were about 28,000, meaning thereby that more than 87 per cent of the vacancies meant for women were filled.

The total number of women job-seekers on the Live Register of the Employment Exchanges have increased from 76,3000 at the end of 1972 to 973,000 at the end of 1974.

The extent of unemployment among the educated men and women with purely academic background being high, women have become keen to acquire vocational and specialised skills which are at a premium in the employment market.

Four Industrial Training Institutes located at New Delhi, Chandigarh, Dehra Dun and Madras with a total sanctioned capacity of 1,010 seats in non-engineering

trades and 88 in engineering trades are exclusively meant for women and other 353 are co-educational. The number of women apprentices utilising the training facilities is unfortunately rather low—just 104.

The available wages fixed or revised under the Minimum Wages Act, 1948 generally do not make a distinction between men and women workers. However, there are cases of differentiation between men and women in certain industries even when the wages were fixed or revised as late as in 1974. The average daily earnings paid for in respect of men workers were relatively higher than for women workers in all the three important sectors of industrial activity, like manufacturing, plantations and mining. Disparity was the highest in the manufacturing industries with match factories topping the list where men, on an average, earned about 4 1/2 times more than women.

There were, however, a few instances like that of the Fine Chemical Industries where the average earnings of women workers were reported to be higher than those of their male counterparts.

NATIONAL AWARDS FOR SCIENTIFIC INVENTIONS

Awards for new inventions have been recently given away by the President of India. The Department of Science and Technology, Government of India and the National Research Development Corporation of India have instituted these awards, which have been providing an impetus to inventors and scientists for making new inventions and discoveries in various fields of human endeavour.

Research and development are recognised as the mainsprings of technological growth and play a significant role in the development of a nation. In fact, there is hardly any field in industry, agriculture, medicine and education which has not been influenced by research.

Many countries committed to transform their societies have recognised the role of research and development and have taken steps for their rapid growth. Indian research and development programmes are sought to be tailored to suit her socio-economic conditions. In other words, domestic technology is directed towards labour-intensive and economically sound lines.

It is recognised all over the world that the Indian scientists and technologists are second to none in their capabilities. Recent accomplishments of Indian scientists in the field of atomic energy and space technology bear testimony to this fact. Indian scientists in the laboratories of Council of Scientific & Industrial Research (CSIR), the Defence Research & Development Department, Indian Council of Agricultural Research, the various Departments of Government, the public sector and private sector industry have all been doing considerable amount of research work. This had reduced the country's dependence on imported spares, components, raw materials and imported technology. India is now in a position to export not only sophisticated components and machinery but also export technical know-how. Many joint development projects involving Indian scientists and technologists and Indian entrepreneurs are being established in countries of Africa, West and South East Asia and other developing countries. All this goes to show the great strides, that our country has made in the development of science and technology and in the generation of self-reliance in this vital field.

The award for meritorious inventions were for developing a process for bonding two sheets of aluminium to form heat exchangers; for developing an improved process for processing of textiles which reduces consumption of sodium hydrosulphite; for husk fired direct heat air exchanger for paddy, parboiling and drying plants; for improved design of rubber hardness tester, reducing cost and facilitating indigenous manufacture; for developing a process for preparing a flocculant from 'Methi' (Fenugreek); for improved process of mosquitoes marking with fluorescent dye in the context of National Malaria Eradication Programme; for a new economic process of tanned leather manu-

factures; for static phase convertor for connecting a 3-phase motor to a single phase supply; for improved equipment for rooting out aquatic weeds; for a process to utilise stomach layers of cattle for preparation of exotic leather; for a device to study diffraction of x-rays with the help of ultrasonic waves; for a process to upgrade the surface of inferior grade leather and so on.

INDUSTRIALISATION IN INDIA SINCE INDEPENDENCE

India, a late entrant to the race of industrialisation, is already in the forefront among the developing nations of the world. Having realised the importance of industrialisation—particularly in the context of its mounting population—India has been endeavouring since the beginning of planned development in the country to move fast to make up the leeway caused by centuries of neglect.

At the time of independence, India inherited at best a rickety industrial structure, unsupported by any infrastructure worth mention. A few industries had sprung up here and there, haphazardly, to respond to specific war needs and that was the farthest point of India's industrial progress at that time. So much so that - though it is hard to believe now—such commonplace things like sewing machine needles and fountain pens used to be imported here when the Western world was eagerly knocking at nuclear doors.

With the launching of the five-year plans in 1951, India was set on the road to steady industrial progress. But though the targets set for the different fields of industry during the first five-year plan were largely achieved and a satisfactory beginning was made, somehow the pace seemed to falter thereafter. While the public sector undertakings made infinite small profits or seemed to slip deeper into the red with

every passing year, the private enterprise made no bones about its aversion to the system of permits, controls and licences. The vision of harmonious, all-round development of industry and a growth rate which would lend vigour and momentum to the country's economy seemed to grow hazier with time.

An objective assessment of the performance of the public sector undertakings which did not pull their own weight showed that a variety of contra-productive factors were at work therein. Among these were lack of experience, bureaucratic system of management which was the rule rather than result-oriented, model employment and pricing policies with comparative indifference to the profit angle and the nature of goods chosen for public sector production. The private sector blamed official constraints on proliferation and production for not being able to put up an inspired show. Thus it was that from the mid-fifties for a decade or more industries, both public and private, continued to struggle rather than surge forward. The climax came with the recession in 1966 prompting a re-evaluation of the entire industrial scene.

As a result of the remedial action taken, industry in the country has been making a reasonable recovery and the situation now is markedly brighter than in the late sixties or early seventies. Taking the private sector first, the Government is helping it in many ways. Licensing now is not only more liberal but much simplified and speedier too. Processes have been introduced to reduce red tape. Particularly in the capital goods industry diversification of production is encouraged which provide a study base for desired growth and progress in several other sectors of the industry too. The official machinery is no longer a mere disinterested onlooker but actively associates itself with the industry's varied problems. It also exerts itself to create effective coordination between various inter-dependent industries.

Though the country's economic condition clearly warrants credit squeeze the Government has relaxed it selectively to help deserving sections of the industry so that these do not suffer for want of financial resources.

Official efforts to get over raw material problems and at import substitution are going on apace. Irrespective of ideological considerations foreign collaboration is being permitted to create indigenous capacity for certain sophisticated items not being produced in the country. The schemes so cleared include items like silver lap and silver lap equipment, super speed automatic warp winding machines, automatic pirn winding machines, high speed automatic looms, rotary screen printing machines, open and spinning machines and shuttleless looms. The Government is also encouraging industrial research as well as modernisation, expansion and diversification, so that the private sector may be able to realise its potential to the hilt.

Scientific and better management and labour practices coupled with due commercial consideration have made for effective use of investment and manpower in the public sector and changed its face during the last three-four years. Public sector has now turned the corner. Far fewer undertakings are now being helped over the stile by official munificence while the rest are setting up new records in production and profits. A random look at some of these will give a fair view of the public sectors new profile.

Performance in 1974-75 at the Bharat Heavy Electricals Ltd. has broken all previous records. The production of Rs. 3100 million for this year is three times the 1971-72 figure of Rs. 1030 million. Installed power generating capacity has registered a four-fold increase in a single year from 466 MW in 1973-74 to 1720 MW in 1974-75 out of which the BHEL'S contribution is 1356 MW in terms of power equipment added.

The combined production of fertiliser plants is now by and large sufficient to meet the country's needs. In a few year's from now it will be unnecessary to import fertilisers. Four new fertiliser plants are soon due to come on stream and the existing plants as working to desirable levels of capacity.

Against a profit of over Rs. 47 million in 1973-74 the Hindustan Steel Limited is expected to make a profit

of over Rs. 320 million in 1974-75 (both figures after providing for depreciation and interest on Government loans). This would be a new record for HSL and for any unit in the public sector. In 1974-75 the five integrated steel plants in the country produced 4.9 million tonnes of saleable steel which is 5,47,000 tonnes or 12.5 per cent more than that in 1973-74. The target for the current year has been fixed at 5.7 million tonnes - a good 16 per cent over the actual production of 1974-75.

Hindustan machine tools, another public sector enterprise, has within a short span of twelve years blossomed into a multi-product and multi-factory organisation from humble beginnings. Within the next three years its sales figure is expected to touch the Rs. 1000 million mark. It is now being reorganised in view of the vast expansion lately achieved by it.

While in 1950-51 the gross value of engineering goods produced in the country was just Rs. 550 million, it shot up to Rs. 30000 million in 1973-74, Rs. 36000 million in 1974-75 and the product target for the current year has been set at over Rs. 40000 million. This despite the many stresses and strains to which India has been subject during the last about ten years.

India's steadily improving performance on the export front can be considered a reliable indicator of the state of its industry. The country is no longer exporting only traditional items like textiles, tea and spices. Highly sophisticated industrial machinery now leave India's shores for far-off lands. The total value of industrial plant and machinery exported during 1973-74 was Rs. 150 million. Engineering products worth Rs. 2010 million were exported in 1973-74, which has increased to Rs. 3120 million during the first eleven months of 1974-75. Other foreign exchange earners in 1973-74 were : sugar mill machinery (Rs. 40 million) textile machinery (Rs. 28 million), jute mill machinery and cement plant machinery, Oil mill machinery, food processing machinery, paper and pulp machinery, plastic machinery and agricultural machinery were also exported. The spectrum indeed is quite wide and products of Indian industries now find their way in nearly all the markets of the world.

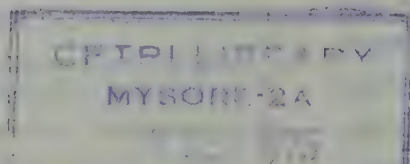
The Government is determined to remove all impediments in the path of smooth industrial progress. Official policies are now growth and result-oriented and the aim is an annual growth rate of 7 to 8 per cent. To get the better of the tight resources position the Government has permitted private equity participation in public sector enterprises. Needless to say this national sector will before long have a definite role to play in the industrial scheme of things. Besides this many public undertakings earning sizeable profits are deploying these for expansion and diversification and not seeking Governmental grants for the purpose. The

money saved by the Government can be advantageously invested elsewhere making the number one problem of the industry capital formation—somewhat less acute.

India has a sound industrial base and sufficient experience in the field now. It has learnt from mistakes. Men and materials are not much of a problem for the country. At times it may be found wanting in its resources but not in its resolve to make the grade. There is no gainsaying the fact that a bright future avails Indian industry.

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EXPORT ORDER FOR INDUSTRIAL FASTENERS

Auto & General Engineering Company, Delhi, a client of the Trade Development Authority and belonging to the small scale unit in automobile and general engineering concluded contracts with five firms in New York on 30th July, 1975 in the New York office of TDA for the exports of industrial fasteners to the USA. The total value of the contracts is over Rs. 8.0 million, to be executed with shipments worth about Rs. 0.7 million every month.

These export orders have been secured despite stiff competition from Japan as well as the recession in USA, resulting in considerable fall in the prices of industrial fasteners imported into USA.

Consequent of increasing exports year after year, the firm has emerged as the leading exporter, contributing as much as 25 per cent of India's total exports of industrial

fasteners to the US market. The firm's exports during 1974-75 have scaled new heights, touching the level of Rs. 3.0 million. Their achievement in the export field is largely due to the assistance provided to the firm during the last three years by the TDA in such crucial areas of export marketing as timely supply of steel at competitive prices, import of special tooling, particularly threading dies out of TDA'S own foreign exchange allocation and import of sample gauges. The firm has not only succeeded in bringing about product adaptation to suit the requirements of the US market but also in diversifying its production to cover cold-forged and hot-forged fasteners.

EXPORT TARGET FOR 1975-76 EXPECTED TO BE REACHED

India's export target of Rs. 3,8000 million for 1975-76 is expected to be reached in spite of unfavourable factors in the world economy today. This was stated by Prof. D. P. Chattopadhyaya, Union Commerce Minister in a T.V. interview, recently.

The Commerce Minister pointed out that the factors which made it possible to achieve a more than hundred percent rise in the value of export during the last three years were not uniformly present today. The Commerce Minister added Higher unit values which India had realised on account of the global commodity boom might not persist in the coming years and there was an obvious recessionary trend in many of the developed countries.

The Commerce Minister also pointed out that exports were a function of production and unless there was a significant and sustained improvement in production, particularly in export-oriented fields, it would be difficult, if not impossible, to maintain the tempo of export effort. Commerce Minister emphasised the necessity to make an all-out effort to improve the conditions of export production, so that the quantitative flows in respect of the major items of export interests would increase and off set, the likely fall in unit values.

The Commerce Minister, however, said that the export trends during the first three months of the current financial year were encouraging. Commerce Minister added that recession was not a permanent phenomena and expected that the overseas buyers of Indian goods would get back their buoyancy by the end of the current year. Referring to the target set by the Prime Minister to achieve an annual growth rate in exports of at least ten percent in volume, Commerce Minister expressed the hope that the country would be able to exceed this target.

The Commerce Minister identified certain items like engineering products and leather goods which had considerable prospects for growth. Several items like auto ancillaries, hand tools and machine tools were in a great demand in the world markets including sophisticated Western markets. Commerce Minister listed several measures which the Government had recently taken to improve the competitiveness of engineering and other products in the world market.

Regarding compensatory support for some export commodities, Prof. Chattopadhyaya pointed out that

the Government's policy in the respect had always been flexible and realistic. The scheme was primarily intended to be a temporary measure to enable certain selected products either to attain or to reattain their competitiveness in international markets.

Prof. Chattopadhyaya emphasised that the scheme for such assistance was constantly under review by the Government and as many as 60 items covering a wide range of products were removed from the scheme.

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CREDIT FACILITY TO NEPAL EXTENDED

India has agreed to extend the existing stand-by credit facility of Rs. 10.0 million to Nepal for a period of six months from August 23, 1975. Letters to this effect were exchanged recently by Mr. M.G. Kaul, Secretary, Department of Economic Affairs in the Ministry of Finance on behalf of the Government of India and Mr. K. B. Malla, Ambassador Extraordinary and Plenipotentiary, on behalf of His Majesty's Government of Nepal.

India has been extending a stand-by credit facility to Nepal for the last 2 1/2 years. The current agreement was signed on May 21, 1975. It provides for a revolving credit whereby Nepal can continue to draw upon the facility and repay the amount due within the overall ceiling of Rs. 100 millions.

INCREASED EXPORTS OF UNMANUFACTURED TOBACCO

Exports of unmanufactured tobacco from India during the six month period January-June 1975 totalled 42.6 million kg valued at Rs. 570.3 millions, as against exports of 43.8 million kg valued at Rs. 490.9 millions during the corresponding period of 1974. Thus, in spite of a decline of 1.2 million kg in terms of quantity, the value has gone up by Rs. 79.4 million reflecting higher unit value realisation, the higher unit value realisation being Rs. 13.40 per kg. during January-June 1975, as against Rs. 11.21 per kg during January-June, 1974.

United Kingdom continued to be the principal market for Indian tobacco. Shipments to U. K. during the period under review were 18.3 million kg valued at Rs. 286.3 million, as against exports of 17.5 million kg valued at Rs. 262.5 million during the corresponding period of 1974. Shipments to other West European countries like Irish Republic, Netherlands and Belgium also registered steep increases during the period under review.

In the Eastern Europe region, U.S.S.R. continued to be the major market for Indian tobacco. Her off-take during January-June 1975 was 7.1 million kg valued at Rs. 117.2 million, as against an off-take of 6.6 million kg valued at Rs. 77.1 million during January-June, 1974. Provision has been made under bilateral trade agreement for the export of 23 million kg of tobacco to USSR during 1975. Bulgaria purchased 1.4 million kg of medium and low grades of tobacco valued at Rs. 666 million while she did not buy any Indian tobacco during January-June 1974.

In the Middle-East region, Iraq has emerged as a major market for Indian F.C.V. tobacco. During January-June 1975, she has purchased 810 tons of F.C.V. tobacco valued at Rs. 12.1 million. Saudi Arabia, South Yemen Peoples' Republic and Yemen Arab Republic are other markets for Indian tobacco in that region. These countries are important markets for non-f.c.v. varieties of Indian tobacco.

Exports of unmanufactured tobacco to South and South-East Asia region during January-June 1975 were 6.3 million kg. valued at Rs. 79.6 million, as against exports of 12.5 million kg valued at Rs. 102.9 million during January-June 1974. The fall in exports is mainly due to Bangladesh. Her off-take during January-June 1975 was only 50 per cent of her off-take during January-June 1974. Shipments to Japan during January-June 1975 were about 3 million kg valued at Rs. 54.4 million as against exports of 4.8 million kg valued at Rs. 63.7 million during January-June 1974. Japan has placed orders for a total supply of 5.1 million kg of F.C.V. tobacco and therefore, there will be no shortfall in overall exports to Japan. Indonesia's off-take came down from 8-9 lakh kg during January-June 1974 to 1 lakh kg during January-June 1975. Statistics in regard to exports to Nepal during January-June 1975 are not available because of the fact that exports to Nepal are effected by road and rail and as such, they do not find place in customs daily lists published by Custom Houses on the basis of which alone statistics for the period January-June 1975 have been compiled.

Exports to African countries as a whole came down from 3.1 million kg valued at Rs. 17.9 million during January-June 1974 to 2.3 million kg valued at Rs. 9

million during January-June 1975. There were actually no shipments to Libya and Egypt though these two countries together accounted for about 1.1 million kg during Jan-June 1974. Shipments to Ivory Coast increased from .23 million kg in January-June 1974 to .65 million kg during January-June 1975. In the case of Somalia, however, there was a decline of about .69 million kg.

ENCOURAGING EXPORT TREND IN SPORTS GOODS

Indian parambulators, toys, games and sporting goods brought in increased foreign exchange at Rs. 27.60 million during the first half of 1974-75. In fact, the exports more than doubled during the period as compared to the export value in the same period of the preceding year (1973-74) at Rs. 13.50 million.

During the complete year of 1973-74, the exports had secured Rs. 43.85 million in comparison to Rs. 28.55 million during 1972-73.

During April-September 1974, children toys-indoor games suckas, ridden wheeled toys, complete dolls (excluding artware), doll parts, mechanical toys, metal toys, plastic toys, rubber toys, wood toys, toy parts, playing cards, other toys and other indoor games were supplied abroad. Among non-military arm exported during the period included shotgun and sporting rifle, other fire arms and non-military arms. Apart from these, a comprehensive range of other sporting goods like fishing rods and poles, other fishing and hunting equipment, badminton rackets, frames and shuttle cocks, cricket balls, bats and other requisites, football and rugby ball covers, bladders and other football requisites, hockey balls, sticks and blades, polo balls, sticks including blades and shafts, tennis balls, rackets and frames, sport nets, appliances for gymnastics and other appliances for outdoor games etc. were supplied to overseas markets.

Uk, West Germany, Australia, Bulgaria, Poland, USA, Italy, Nepal, Netherlands, Bangladesh, Nigeria, Singapore, Sweden, Switzerland and Morocco were the leading markets.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

FIFTEEN ENGINEERING INDUSTRIES PERMITTED GROWTH

The Ministry of Industry and Civil Supplies has decided that industrial undertakings engaged in engineering industries which have particular importance to export effort, could be permitted to grow at the rate of 5 percent per annum upto a limit of 25 percent in a Plan period. The growth could be in one or more steps in physical terms automatically, over their present authorised capacity. Any increase in capacity for the reasons mentioned above will be over and above the normal permissible limit of 25 per cent in production over the authorised/licensed capacity. This decision has been taken in order to give a fillip to the country's engineering goods exports.

The following 15 industries are covered by this decision: Automobile ancillaries; Castings and closed die forgings; Tractors; Commercial Vehicles; Conveying equipment; Diesel engines and pumps; Cranes; Earth-moving, mining and metallurgical equipment; Hydraulic equipment; Industrial machinery, including Chemical Plant and Machinery; Machine Tools; Textile machines; Power transmission and distribution equipment (other than cables and wires); Power transformers; and Switch-gear.

The following conditions have, however, been laid down :—

- (i) The product mix should not conflict with the items reserved for the small scale sector ;

- (ii) The investment requirements should be taken care of by the concerned undertaking itself and the financing institutions should not be approached for any long-term capital loans, etc;
- (iii) No import of capital equipment should ordinarily be involved. Where import of capital goods is envisaged, Government would examine whether suitable export obligation should be imposed;
- (iv) The facility of automatic growth would not be extended to undertakings having subsisting foreign collaboration agreements with restrictive clauses inhibiting exports, unless such clauses are removed.

Undertakings engaged in industries listed above and fulfilling the above conditions can now increase their capacity at the rate of 5 per cent per annum and upto a limit of 25 per cent in a plan period without the requirement to obtain a "Substantial Expansion" licence under the IDR Act. This is subject to the conditions that they are not dominant in the line of manufacture and also that the capacity utilisation in the concerned undertaking is satisfactory. The concerned undertaking should also ensure that, in the process of utilising this facility, the foreign exchange earnings by way of exports are substantially higher than any outgo by way of royalty, dividends, etc., if any.

In the case of dominant undertakings relating to the particular sphere of dominance, applications will be considered by a Task Force to be constituted in the Department of Heavy Industry. This Task Force will consist of representatives of other Departments concerned, including a representative from the Department of Company Affairs. An application submitted to the Task Force will be deemed to be an application submitted under the MRTP Act and no separate application under Section 21 of the said Act would be necessary in such cases.

PRODUCTION TOUCHES NEW HIGH IN HEAVY INDUSTRY

Production in the public sector undertakings under the Department of Heavy Industry touched a new high in July, 1975. The total production was valued at Rs. 596 million which is 98 per cent of the target of Rs. 606.0 million. As compared to the production valued at Rs. 354.8 million in July last year.

The production in July 1975 was higher by 68 per cent. This also marked an increase of Rs. 163.2 million over the production of June 1975, which was valued at Rs. 432.8 million.

The production in July, 1975 of these public sector undertakings showed a remarkable improvement as compared to production valued at Rs. 308.6 million and Rs. 367.8 million in April and May, 1975. The marginal shortfall in production of 2 per cent in July was mainly due to power cut and shortage of materials and components in some units.

The production in all the units of the Bharat Heavy Electrical Limited was remarkable. The total out-turn was 383.2 million during July which is 111 per cent of the target of Rs. 344.8 million. Besides, this production was 104 per cent higher than that of Rs. 188.0 million in July 1974.

During July, Jessops & Co., recorded production of Rs. 41.2 million which is 132 per cent of the target of Rs. 32.6 million.

Other undertakings which bet their targets are Braithwaites & Co., Richardson & Cruddas and Triveni Structural Ltd., and have achieved 114 per cent, 115 per cent and 104 per cent respectively of their targets.

EXTENSION OF CO-OPERATIVES IN HANDLOOM SECTOR

The Government has decided to bring 60 percent handlooms under cooperatives by the end of Fifth Plan from the existing 30 per cent. This was informed by the Deputy Minister of Commerce, Shri Vishwanath Pratap Singh in an meeting with the representative of handloom weavers and handloom organisations from different States, recently. The representatives were from Bihar, U.P., Haryana, Madhya Pradesh, Karnataka and West Bengal. The Members of ligislative Assemblies and councils from some States were also present.

The representatives appraised the Deputy Minister of various problem faced by the weavers and suggested measures to improve their working and financial conditions.

The Deputy Minister informed them that the spinning units were being given licences with the obligation of producing 65 percent yarn in hanks. The existing mills had also been asked to increase their production of yarn in hank-form by 10 percent as compared to their production in 1972. This would ensure, the Deputy Minister hoped, adequate availability of yarn to the handloom sector.

The Deputy Minister also informed that by the end of Fifth Plan, the handloom sector would contribute 30 percent of the total output of cotton textiles by raising its production from the existing level of 2200 million metres to 3,000 million metres. For this purpose, he further informed that the Government had issued orders reserving certain lines of production for handloom and powerloom units like yarn dyed dhoties, low reed pick cloth, all coloured sarees, dusters and towels in honey-comb weave or Erazha Thortu.

Shri Vishwanath Pratap Singh said that Government was considering to sanction loans and grants to the State Governments earmarking particularly for the development of handloom sector. This would ensure the welfare of the weavers and their cooperatives. At present, the financial assistance was provided in form of block loans and grants towards State's annual plans which

included for development of handloom industry. The States were free to determine priorities of schemes.

The Deputy Minister stated that for the Fifth Plan, a total outlay of Rs. 680 million had been envisaged for the development of hand loom sector. Out of this, Rs. 550 million would be spent by the Centre and Rs. 130 million from the State Governments.

The Government had decided to take measures to ensure adequate supply of inputs at reasonable prices and provision of credit to primary weavers' cooperative societies by alternative channels where Central Cooperative Banks were weak and unable to provide credit, he said.

It is estimated that there are over 30 lakh handloom spread all over the country, giving employment to more than ten million, people. In 1974, 220 crores million metres of cloth worth Rs. 8000 million, was produced in this sector. Exports in form of fabrics, made-ups and ready-made garments were nearly Rs. 900 millions.

The development and general welfare of handloom weavers fall within the State sector, All schemes and projects are formulated and executed by the State Governments. The Central Government provides infrastructure for technological improvement and training requirements. Financial assistance is also provided in block loans and grants.

The Government has recently decided to create the post of Development Commissioner for Handlooms at the Centre to pay concentrated attention with a supporting technical organisation for the development of handloom sector.

LIBERAL RECOGNITION OF ADDITIONAL CAPACITIES CREATED

The Ministry of Industry and Civil Supplies have decided to grant recognition to additional production capacities created through replacement of old equipment and modernisation of plant and machinery. A special procedure has been laid down and it has been provided that such replacement or modernisation should not result in any encroachment on products reserved for the small-scale sector and also that there should be

no increase in the foreign exchange requirement. The increase in capacity through replacement and modernisation will be over and above the normal permissible limit of 25 per cent in production over the authorised or licensed capacity.

The above decision has been taken in pursuance of the Government's policy to promote industrial growth and the need to overcome the problems of obsolescence and sickness.

The increase in capacity would be approved by the Capital Goods Committee where import of equipment has itself been agreed to by the Committee earlier. The Committee will, however, ensure that the replacement or modernisation does not lead to any distortion of the plan priorities or market shares. The Secretariat for Industrial Approvals will carry out the amendments in the industrial licences on the recommendations of the C. G. Committee.

A simplified procedure has been adopted in the case of replacement by indigenous equipment. The joint Secretary concerned with the industry in the Ministry has been authorised to receive proposals and grant approval in accordance with the rules and procedures prescribed. So far as proposals from foreign companies are concerned, as also from undertakings coming under the purview of the MRTP Act, a combined Task Force will consider proposals and grant approvals. The Task Force would consist of representatives of the Ministry of Industry, the other concerned Ministries and the Department of Company Affairs.

NEW ORDER ON PACKAGED COMMODITIES

The Government of India has issued a new Order entitled "Packaged Commodities Regulation Order 1975", which introduces certain amendments to the "Defence of India (Packaged Commodities) Order 1975", issued on July 28, 1975. The earlier Order made it mandatory to display the weight, contents, date of manufacture and price on the labels and packages of all commodities. The Order was to come into effect from September

1, 1975. Several representations were received from State Governments, representatives of manufacturers, the industry and trade as well as consumers regarding the practical difficulties in the implementation of this Order. On careful consideration of these representations, the Government has issued the new Order which contains revised provisions and other amendments.

The new Order (Packaged Commodities Regulation Order 1975) has been issued under the Defence and Internal Security of India Rules, 1971. It will come into force with effect from October 2, 1975, which is the birth anniversary of Mahatma Gandhi. The Order provides a greater degree of protection to consumers at the retail level. The purpose is to promote equitable distribution of items of mass consumption, while ensuring quality and correct weight, measure or quantity.

The main objectives of the Order are :—

- (1) to ensure equitable distribution of consumer articles at retail points at fair prices;
- (2) to fix responsibility and discipline at various levels of industry and trade for consumer protection;
- (3) to ensure that production and availability of essential commodities and items of mass consumption are augmented;
- (4) to provide for deterrent action against offenders while at the same time to ensure that powers are exercised with discrimination and no harassment is involved to law-abiding elements of trade and industry.

GUIDELINES FOR ELECTRICITY INDUSTRY EVOLVED

At a tripartite meeting of Electricity Industry, recently, various guidelines have been involved for optimising the efficiency of operation of the electricity system and for associating representatives of workers' organizations on the operational activities of the systems at appropriate levels. It was also agreed that while associating representatives of Workers' organizations, representation may be given only to those organizations that have unreservedly committed themselves to the

successful implementation of the 20-Point Economic Programme.

The meeting has convened for the speedy and effective implementation of the programme pertaining to the electricity industry and workers' participation.

The following guidelines have been adopted at the meeting :

- (i) Joint Committees of representatives of managements and of trade union organisation should be set up at each district or sub-divisional level. These Committees will, in addition to acting as Vigilance Committees to prevent sabotage, theft of power and abuses in the use of stores, be also responsible for the task of improving operational efficiency of the system and ensuring consumers' satisfaction, besides consideration of suggestions that may be made by individual or group of workmen, with a view to their adoption.
- (ii) Similar Committees should also be set up at each generating station, which will be responsible for proper operation and maintenance of equipment, availability of spares etc.
- (iii) Committees should also be set up for each project to be responsible for reviewing the progress of work and for adopting measures for the timely and economical completion of project.
- (iv) At the Electricity Board level, a joint Committee of management and the representatives of trade union organisations should be set up; this Committee should be enabled to discuss all aspects of the functioning of the power system of the Electricity Board.
- (v) These Committees should meet as frequently as is necessary but in any case once in three months. Representations to trade union organisations on these Committees may be given to the nominees of the All-India Federations and such other trade unions organisations committed to the 20-point programme as the management may consider necessary to be represented at the appropriate level on

such Committees. There should be full exchange of information so as to enable the Committees to function effectively. Unanimous decisions of these Committees should be implemented within a specified period of time as may be indicated in the decisions themselves. These Committees would also be responsible for reviewing the implementation of the decisions.

- (vi) Keeping in view the substantial number of workmen under various Electricity Boards, who are still borne on the nominal muster Rolls (NMR), the system of NMR should not be resorted to in respect of work of a permanent or continuing nature. In all other cases, where NMR workers have been in employment for a period of 3 years or more, all such workers must be regularised in as short a time as possible, in a phased manner. It was strongly felt that all NMR workers should be paid wages at rates not lower than the lowest rates of wages paid to regular workers of that category and it was agreed that the Minister of Energy and the Minister of Labour will finally communicate these feelings to the Chief Ministers for taking appropriate action in this regard.
- (vii) Overtime work must, as far as possible, be eliminated. To achieve this, overtime should normally be resorted to only for urgent operational reasons. At the same time, norms of work should be evolved, without delay, for various categories of workers. Multiple shift working may be adopted in consultation with the unions, wherever necessary.
- (viii) To enable workers acquire and upgrade their skills, it is necessary to implement the provisions of the Apprentices Act fully. Apprentice training facilities should be made available at the major project sites and/or at other suitable places. Priority for apprenticeship training should be given to those persons (or their dependents or wards) whose lands have been acquired for projects and who have been consequently displaced.

- (ix) It should be examined whether long standing disputes cannot be settled as quickly as possible including settlements outside the courts.
- (x) Efforts must be made to extend the public distribution system to power station colonies which may be outside the areas covering the public distribution system.

PRODUCTION OF HEARING AIDS

The production of hearing aids is at present in the Small Scale Sector with an approved capacity of 28,400 Nos. per annum. The production in 1974 was 20,000 Nos.

It is expected that, the demand for hearing aids might go upto 100,000 Nos. per annum by 1978-79. A few more units in the Small Scale Sector can be set up to meet this demand. Moreover, there is need for developing high Quality miniaturised hearing aids, which would utilise the latest technology for this purpose. Audiometers for test purposes may also be required on a wide scale for use in hospitals, clinics, etc. Technically competent parties would be encouraged in this field.

SCIENTIFIC RESEARCH AND TECHNICAL DEVELOPMENT

IMPORTANT BREAKTHROUGH IN SYNTHETIC RUBBER TECHNOLOGY

The scientists of the National Chemical Laboratory, Poona have achieved a significant breakthrough in rubber technology which promises to make India produce all the synthetic rubber she needs. The process developed is for the manufacture of nitrile rubber from indigenous materials.

India will be able to save Rs. 40 million foreign exchange through production of these rubbers indigenously.

Nitrile rubbers are as good as natural rubbers in quality and durability.

The nitrile rubbers are used in oil, gasoline and solvent hoses, gasket, oils seals, printing rollers etc.

The rubbers obtained from the N.C.L. technology are as good as imported rubbers. The only synthetic rubber currently produced in India is styrene-butadiene rubber which is based on imported technology. The N.C.L. process does away with styrene and needs butadiene and acrylonitrile, both produced indigenously.

A pilot plant to produce nitrile rubber from N.C.L. know-how has been established in Bareilly.

PRODUCTION OF SPONGE IRON

National Metallurgical Laboratory, Jamshedpur has perfected a process for the production of sponge iron in the country. Scientists of NML have produced 60-80 tonnes of sponge iron of over 90 per cent metallisation. Iron ores and coals from different parts of Eastern India and several other places have been used for the production of high grade sponge iron. Several hundred tonnes of high grade sponge iron has been produced. This is the first ever commercial production of sponge iron in the country. Sponge iron is a direct feed stock for many processes of iron and steel making. It is developed from pig iron.

FIBRE GLASS REINFORCED PLASTICS

Fibreglass reinforced plastics technology and fibre Reinforced Plastics technology developed by National Aeronautical Laboratory, Bangalore offer a variety of products which combine light weight and high strength, resistance to corrosion and high insulating properties to meet specialised needs of aerospace, transport, chemical, electrical, electronics, marine and agricultural fields. The Laboratory has carried out pioneering work in this field, on scientific lines, using filament winding machines, fabricated also at the laboratory, pressure matched dies, etc. backed by rigorous quality testing and control. FRP technology is ideally suited to India : it is labour intensive and it can substitute metals including steel which are in short supply. Already goods worth Rs. 1.5-2.0

million have been made and supplied by the laboratory for user organisations such as Defence, Bharat Electronics Ltd., etc.

Titanium is the fourth most abundant metallic element, in the earth crust and has strength properties superior to steel. Because of its unique mechanical, electrical and thermal properties, it found ready use in jet engines, compressor parts and airframes.

A novel set-up, viz. an electron beam splatting furnace, has been designed and set up in NAL, Bangalore where sponge titanium is melted under an electron beam and the molten drops are splatted into fine flakes.

MANUFACTURE OF SYNTHETIC TANNING MATERIALS

Manufacturers of synthetic tanning materials can now improve the quality of their product by adopting the latest technique for bleaching, developed by the Central Leather Research Institute (CLRI), Madras. The Syntans, heated for an hour with a mixture of chemicals (which are easily available), give the bleached product. This bleaching process improves the quality of the product and in turn the tanned leather, giving them light pastel shades. A leather which can stand heat in boiling water continuously for a minimum period of 2 hours has been developed by the CLRI, Madras. This is an entirely new product unknown to leather industry and will be highly useful for suedes (plain or printed) industrial leathers etc. No imported components are involved. The raw materials or their derivatives are available indigenously.



FIGHT AGAINST INFLATION

The rise in prices since the middle of 1972 has caused hardship to the common man, particularly those with fixed money incomes. Inflation has affected public savings and this, in turn has reduced Governments ability to raise the rate of investment in the economy. It has accentuated disparities in income and wealth. It has also contributed to the climate of indiscipline which was so widely prevalent until some weeks ago. Experience shows that an orderly process of development, with appropriate emphasis on social justice, can be sustained only in a regime of reasonable stability of prices. It is for this very reason that the control of inflation occupies the highest priority in the New Economic Programme announced by the Prime Minister.

The upsurge of inflationary pressures towards the middle of 1972 was a result of the sluggishness of agricultural production combined with a rapid expansion of monetary outlays. Towards the end of 1973, the steep increase in the price of oil and other imported commodities lent further impetus to the inflationary spiral. As a result prices were rising at a monthly rate of about 2.5 per cent during the first half of 1974.

Faced with this grim situation, the Government did not flinch from adopting firm and determined measures even though they were unpopular. These measures were designed to curb the growth of money supply, to prevent excessive accumulation of inventories and to immobilise black money which was known to be accentuating the speculative pressures on prices. As a result of greater fiscal and monetary discipline, the rate of growth of money supply was brought down to 6.3 per cent in 1974-75 as against 15.2 per cent in the preceding year.

The success of these measures can be judged from the fact that annual rate of inflation which was running at nearly 32 per cent in September 1974 came down to about 8 per cent by the end of March 1975. In fact, in almost every week after September 21, 1974 the wholesale price index kept on declining, notwithstanding the fact that the 1974 kharif (Summer) crop was far from

satisfactory. The trend of wholesale price index was also reflected in the consumer price index though with a lag. Thus the consumer price index declined from 335 in October 1974 to 321 March 1975.

During the current fiscal year, the wholesale price index showed a mild rising tendency during April and May 1975. Even in a normal year, prices rise from May to September under seasonal pressure. This is then followed by a decline in the wake of increased market arrivals out of the newly harvested kharif crop. Nevertheless, because of the steep increase in prices that had come about in the previous two years, the Government decided that every possible effort ought to be made to moderate even a seasonal increase in prices during the current slack season.

The basic elements of the anti-inflationary strategy have been outlined by the Prime Minister while announcing the New Economic Programme. As part of this strategy, Government have reaffirmed their intention to keep a firm check on the expansion of money supply. This in turn requires restraint in the expansion of bank credit both to Government and the commercial sector. In addition, the drive against hoarders, speculators, smugglers, tax-evaders and black-marketeers has been greatly intensified some legal loopholes which had reduced the effectiveness of the drive against anti-social elements were effectively plugged after the declaration of Emergency. As a result, a considerable part of black money has been immobilised and to that extent it is not available for cornering of stocks of essential articles of mass consumption. Simultaneously, Government have made adequate arrangements to import sizeable quantities of foodgrains and vegetable oils. Releases of foodgrains for the public distribution system have been considerably increased. The operation of public distribution system is being expanded and streamlined so as to ensure that it really offers a protection to the more vulnerable sections of the society against fluctuations in prices. Since foodgrains distribution is still largely in the hands of private traders, a close and constant watch is being maintained on the trade. Those who hoard and profiteer are being dealt with an iron hand.

Since, in the final analysis, a lasting solution to the problem of inflation can be found only through increased production of articles of mass consumption, a concerted effort is being made to increase the production of foodgrains during the current year to 114 million tonnes. Fortunately, the monsoon this year has been normal. We have also got ample supplies of fertilisers. Prices of fertilisers have recently been reduced to promote increased consumption. There is unlikely to be a shortage of power for agricultural operations. Thus, there is every reason to hope that the foodgrains target will be fully realised. On current expectations, the coming kharif crop will record a significant increase in production of foodgrains over last year's level. Similarly, prospects with regard to the supply of such critical inputs for industry as power, coal, iron and steel are highly favourable. There has been a considerable improvement in movement of goods through the railways. The magnificent response of workers to the appeal of the Prime Minister has created a new environment for healthy industrial relations. As a result, industrial production in the current year will go up by 5 to 6 per cent.

Taking all factors into account, national income this year is expected to increase by 5 to 6 per cent as against less than 2 per cent last year. This should lead to a further weakening of the inflationary forces.

In accordance with the new economic programme outlined by the Prime Minister, the fight against inflation has been further intensified. Thus, the increase in money supply during the first four months of the current financial year, i.e. from March 28 to July 25, 1975 has been restricted to 4.5 per cent. In the first four months of the current financial year, bank credit to the commercial sector increased by only 2.9 per cent as against an expansion of 5.6 per cent during the corresponding period of last year. Thus, monetary indicators point to continuation of the trend towards price stability,

It must also be noted that over the year ended July 26, 1975, the wholesale price index has declined by 2.9 per cent. India, thus has a unique distinction

of having a negative rate of annual inflation. Considering the unsatisfactory trend of agricultural production in 1974-75, the steep increase in the prices of imported oil, and the general hostility of the international economic environment, this is not a small achievement.

During the last one month, the wholesale price index has declined by 0.7 per cent, notwithstanding upward adjustments in prices of coal, aluminium and some varieties of iron and steel which became necessary inter alia to improve the financial position of some important public sector enterprises. It is significant to note that during the one month period ended July 26, 1975, the prices of foodgrains declined by 3.2 per cent. This must have brought some welcome relief to the common man. The available data suggest that the decline in wholesale prices has been accompanied by a fall in retail prices of a large number of articles of common use.

However, one should not be complacent. There are some indications that some prices are beginning to rise. This in itself need not be disturbing since in no economy can absolute price stability be maintained over a long period of time. Nevertheless, Government are determined to remain vigilant. Speculative forces

shall not be allowed to manipulate commodity markets. The supply of bank credit will be strictly regulated in accordance with the overall national priorities. This means that while genuine credit needs of all priority industries will be fully met, bank credit will not be allowed to become a source of commodity speculation. An adequate import programme has been drawn up to supplement domestic supplies of sensitive commodities.

All these factors, combined with the bright prospects both for agricultural and industrial production in the current year, are convincing enough that inflationary forces will be checked. However, this is a task in which the Government seek the co-operation of all segments of Indian society. One must do one's best to keep the wheels of production moving and to ensure that unscrupulous elements, who, want to trade in human misery, are given no protection whatsoever. The new social discipline obliges all surplus producers of foodgrains to contribute their due share to the procurement effort. The declaration of emergency has created a new awareness of wider social responsibilities on the part of major productive forces. This will certainly enable us to reconcile more effectively than ever before the challenging requirements of accelerated growth, social justice and reasonable price stability.

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TRADE DEVELOPMENT AUTHORITY INTENSIFIES ITS ACTIVITIES IN NORTH AMERICA

Trade Development Authority in addition to its foreign office in Frankfurt opened three years ago, set up another out-post in New York in May, 1974, designed to provide personalised on-the-spot guidance and services to the buyers in USA and Canada and to act as a catalyst for promotion of India's exports to these affluent countries. The New York office during the course of the year, has made innumerable efforts in promoting Indian exports to North America.

Three new products have been introduced into the US market, namely, bicycle caliper brake cables, golf shoes and maternity garments. The concerned clients have secured export orders for these products from the buyers in USA. The initial orders worth about Rs. 1 million for caliper brake cables, Rs. 6 million for supply of golf shoes and Rs. 0.41 millions for maternity garments re-

present a breakthrough in the export of these items to the US market.

Besides, long-term arrangements have been entered into with the major importers for the supply of industrial fasteners worth Rs. 4.4 million and for costume jewellery of the value of over Rs. 0.2 million.

Further, a newly-formed consortium of small scale industries, obtained an order worth Rs. 0.5 million for the first time, for export of readymade garments.

Besides, the actual business, more than 200 enquiries were generated, supported by samples, catalogues, drawings and specifications. As a result of follow-up measures, a few trial orders have already materialised in the field of electronic components, readymade garments, forging and castings and fruit juices.

Successful negotiation has been done with various organisations to publicise through their journals free of

cost, the enquiries of TDA's clients. The arrangements have been finalised with the following organisations:

- (a) American Importers Association
- (b) Dun & Bradstreet
- (c) Department of Commerce
- (d) New York Chamber of Commerce & Industry
- (e) Penn. Department of Commerce
- (f) First National City Bank
- (g) International Fidelity Bank.

As a result of this arrangement, every month, response is given to more than 46 enquiries of different organisations for publication in their respective journals. This technique of publicity has started yielding results in terms of generation of enquiries from overseas buyers, for supply of products of TDA'S clients.

Strong business contacts have been established with (i) the central buying organisations and department stores, (ii) importers and distributors and (iii) the manufacturers. With the result, TDA has on its roll 600 importers with and during the course of a year, the number is expected to increase to more than 1500.

To acquaint the buyers with the range of products that the Indian clients can supply and the extent of sophistication that they have achieved in a number of products lines, the New York office, during the year, organised visits of 16 buying missions/buyers to India. These visits have been found extremely useful and in most of the cases orders were placed on the clients.

In order to adapt Indian products to the requirements of buyers in USA for developing business on a long-term basis, arrangements have been done to send 90 samples, drawings, catalogues and specifications for making counter-samples for the buyers' approval. The items, included in this category are lubricant fittings, car aerials, electrical switches, polyesterene capacitors and resistors, bath room fittings, fish baskets, ceramic capacitors, forged steel flanges, industrial fasteners in blister packing, brass screws, hand tools, transistors and relays, cotton gloves, cotton T-shirts and woollen suits.

More than 130 representatives from Indian firms who visited New York during the course of a year, established business contacts. New York office of TDA

also helped them in several other ways such as extension in the letters of credit, location of distributing agencies, drafting and conclusion of contracts and agreements, settlement of claims and providing status reports on the buyers.

Assistance was also rendered for setting up export-oriented joint ventures in India with the American manufacturers. The West Bengal Electronics Industry Development Corporation has finalised their collaboration agreement with Optel Corporation for the manufacture of CMOS and digital watches. Other agreements

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POWER DEVELOPMENT IN INDIA 9

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pertaining to manufacture of tapping screws; relays for communications; manufacture of LED; manufacture of ceramic capacitors are being negotiated between Indian firms and US companies.

Wealth of marketing information is being collected for use in the Trade Information Centre at Headquarters. Every month, they are sending foreign trade abstracts containing information on developments which have a direct bearing on India's foreign trade, thus enabling Indian firms to draw up their marketing strategy for the US and Canadian markets.

Besides, number of specialised reports have been prepared such as Buying Pattern of Departmental Stores, Export Marketing of Industrial Fasteners, Agarbattis, Bicycles and Components and Surgical and Medical Instruments, and information has been given on demand and supply of the products, import trends, total imports, share of different countries, prices, customs tariffs, standards and specifications.

BIG IRANIAN EXPORT ORDER FOR INDIAN CEMENT

India has recently secured an export order from Iran for the supply of cement valued as much as Rs. 2.60 million. An agreement to this effect has been recently signed between the State Trading Corporation (STC) of India and the Iranian Authorities. As per terms of the Agreement, shipments were to commence from July 1975 and would be completed by December 1976. About 50 percent of the quantity contracted is expected to be exported during 1975-76.

Inclusive of export value of this order, STC has signed contracts worth Rs. 400 million for the supply of cement abroad. Besides Iran, Kuwait, Qatar, Oman and Abu Dhabi are the other countries to import cement from India.

During the preceding year (1973-74) STC had secured export contracts totalling Rs. 100 million. The target for the current year has been set at Rs. 300 million. So

far, contracts worth Rs. 270 million have already been secured and fresh contracts are expected to be finalised shortly.

India exports cement of different varieties to countries abroad. During 1973-74, it exported about 160,750 tonnes to about 12 overseas markets at a cost of Rs. 25 million. Of this, portland grey, the most sought after variety abroad fetched as much as Rs. 24.95 million. Bangladesh was the bulk importer during the year having absorbed 83,695 tonnes alone at a value of Rs. 15.15 million. Nepal (Rs. 6 million), Dubai (Rs. 2 million), and Qatar (Rs. 1.30 million) were the other importing destinations. Other varieties, such as, Portland coloured and hydraulic cement were bought mainly by Philippines, Saudi Arabia and Thailand.

Apart from cement, a number of cement products were also exported at a value of Rs. 7 million during the year. The export range included asbestos cement pipes, sheets, tiles and other articles of asbestos cement. Abu Dhabi, Dubai, Tanzania Republic and Qatar were the main buyers.

India's total production of cement was of the order of 14.61 million tonnes while during the first eight months of 1974-75 (April-November 1974), it was 9.47 million tonnes. During the current year, the output is estimated to be of the order of 15 million tonnes.

TRADE ENQUIRIES FOR MARINE PRODUCTS FROM JAPAN

As a result of participation of the Marine Products Export Development Authority (MPEDA) in the 3rd International Frozen Food Industry Exhibition held in Tokyo from 3rd to 7th June, a large number of enquiries were received for Indian marine products from the local entrepreneurs. Detailed trade enquiries have been received for a number of marine products, such as, shrimps, lobster tails cuttlefish fillets, frozen pomfrets, frozen froglegs, lobster meat, and all varieties of frozen fish.

This exhibition was held at the International Trade Centre, Harumi, Tokyo. The MPEDA had taken an area of 18 sq. metres and a wide range of frozen marine products including frozen shrimp of different grades, cuttle fish fillets and several new products developed by the integrated Fisheries Projects, namely, minced fish meat, cooked deep sea shrimp (meat), deep sea lobster meat, deep sea lobster tails, flat fish fillets, perch fillets, eat fish fillets and frozen pomfret (whole) were displayed in deep freeze display cabinets. Several Japanese firms evinced keen interest in importing different types of marine products from India.

The State Trading Corporation (STC) of India are investigating the export possibilities for various items of Indian marine products. The Corporation has already on hand a number of potential foreign enquiries for items like canned shrimp, canned sardine, canned pomfret, canned mackerel, canned tuna, canned crab meat, shark liver oil, sardine oil, dried prawn, frozen fish, frozen shrimp, frozen squids, frozen lobsters etc.

An agreement was recently signed by the export inspection Council and the US food and Drug Administration, envisaging a clause for identification of lots or consignments of froglegs for export to the United States, after they are inspected by the Export Inspection Agency. On recommendation of the Marine Products Export Development Authority to introduce a system of sealing the master cartons after inspection by the Export Inspection Agency, the scheme became effective from 2nd June, 1975.



INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

RIISING IN OUTPUT HEAVY ENGINEERING UNITS

Heavy Engineering industry is the most critical factor in any process of self-sustaining economic growth. It is to provide the infra-structure facilities such as transport, power, steel and fertilisers or to increase agricultural production or to provide mother machinery to produce machinery. It is the heavy engineering industry which must manufacture the required power generating plants, electrical transmission and distribution equipment, mining equipment, rolling stocks, heavy commercial vehicles, tractors, fertiliser and chemical equipment and a large number of other items of plant and machinery to produce the essential intermediate and consumer goods.

Since the country could not depend on imports for its capital equipment, for any sustained economic growth, it was the farsightedness of the late Pandit Nehru who was responsible for introducing giant heavy engineering units to provide the guts for the country's economic growth.

Underlying them was also the objective of subserving the socio-economic goals that the country had set for itself. Such production facilities were practically non-existent before the independence and were mainly conceived in the Second Five Year Plan period.

It had become well-known over a period of years that the installed capacity in most of these heavy engineering units was only partially being utilised. The challenge, therefore, was to realise maximum benefits from the investments already made in as short a time as possible, to generate surplus resources and also to meet the urgent requirements of equipment in the core sector.

It was to meet this challenge and to provide more concentrated efforts in this direction that the erstwhile Ministry of Heavy Industry, now Department of Heavy Industry, was created in February, 1973.

To achieve these objectives, the Department of Heavy Industry formulated a Six-pronged strategy which broadly consisted of :

- (i) Professionalisation of management with emphasis on financial discipline, production planning and control, upgradation of skills and improving the image of the Public Sector Units with regard to the supply of equipment according to committed deliveries;
- (ii) Liberal delegation of authority with clear cut accountability;
- (iii) Removal of imbalances in the units and to improve their capacity utilisation; limited expansion of existing units through marginal investments or through a measure of vertical integration, where justified;
- (iv) Speedy completion of projects already under implementation;
- (v) Early rehabilitation of sick units taken over by the Government and standardisation and rationalisation of their product-mix; and
- (vi) Creation of new units only where it became absolutely necessary to meet the Fifth Plan requirements.

The problem of optimisation of capacity can, at no time, be considered simple. It has to be broken into understandable and simple elements—that of management of men in the first instance and through them, the management of machinery and materials and other inputs.

It was realised at the very beginning that the delays in decision making particularly at the Government level, lack of clarity of focus on the main objectives and lack of adequate attention in giving a sense of stability and direction to the management had to be remedied the concept was, therefore, brought so that the Ministry should act as a holding company.

It was felt that there was a considerable degree of *ad hocism* in the running of the public sector units. The first attempt, therefore, was to move towards professionalisation of the management of the units which in simple terms meant, firstly, the induction of more specialised and professional managers at appropriate levels and secondly bringing an element of continuity in the management.

At the same time, due emphasis was given to career planning and management development within the units and also letting it be known that good work and achievement would not only have recognition but would be the most important factors in career development. This was necessary to provide motivation for initiative and hard work.

Side by side, depending on the circumstances and the corporate objectives of a particular undertaking, several steps were taken towards rationalisation of the management structure.

To cite a few examples, the top management structure of Hindustan Machine Tools was considerably modified developing greater autonomy on the individual units, at the same time retaining in the top management, matters of basic policy.

It is in this context that the Machine Tools Corporation, Ajmer has been merged with Hindustan Machine Tool and realising that export of machine tools is a specialised task requiring greater attention, a separate International Division has also been created.

Similarly, the management structure of Bharat Heavy Electricals was suitably changed to make its functioning much more effective. Besides, BHEL has, over the last two years, set up subsidiary organisations for taking up construction and commissioning of power stations on a turn-key basis, an organisation for providing the consultancy services in their specialised field and for extending services and supply of spare parts aimed at improving the operation of the existing power plants. BHEL has also been charged with the responsibility for making oil drilling rigs for the Oil & Natural Gas Commission; the strategy adopted in this case is that BHEL will use the existing resources and the capacity of all the engineering units for this purpose with the result that this rather ambitious programme will be put through with practically no additional investment.

A good measure of success has been achieved in improving the production and the profitability of Public Sector units. This is evident from the fact that from a production of Rs. 2080 million in 1971-72, their output practically doubled to about Rs. 4090 million in 1973-74 and reached a figure of Rs. 5570 million in 1974-75.

Encouraged by this performance a target of Rs. 7250 million has been set for the current year. This would mean that output would have gone up by about 3 1/2 times in last three or four years.

Over the same period, from an overall loss of Rs. 130 million in 1972-73, these units have made a profit of Rs. 310 million in 1974-75, giving a turn around of Rs. 440 million. It is hoped that this trend will be maintained despite the handicap of nurturing many of the taken over sick units to normal health.

Apart from the quantitative increase in production during the last two or three years, qualitatively also there have been some major achievements. For example, BHEL have established series production of 200 MW thermal sets besides the 235 MW sets for atomic power stations. Similarly, during this period Heavy Engineering Corporation completed the first magnet for the variable energy cyclotron weighing 262 tonnes for the Bhabha Atomic Research Centre and 413 tonne gyratory crusher of 300 tonnes per hour capacity for Bailadila iron ore project.

Hindustan Machine Tools have developed a numerically controlled lathe while the Central Machine Tool Institute have developed a special purpose flow forming machine for the manufacture of thick bottomed and thin walled aluminium utensils.

It is needless to labour on the importance of stepping up of engineering exports. The first task, therefore, was to determine the impediments which came in the way and for this purpose in-depth studies were carried out.

Based on these studies, Government have recently announced a package of measures which should give the necessary fillip to engineering exports. Public sector units are fully conscious of their responsibility in this matter. BHEL, HMT, Richardson & Cruddas, Triveni Structurals, Jessops, ISW-Burn and Braithwaite have already entered this highly competitive field and are presently engaged in further stepping up their exports.

BHEL in the electrical power sector and Engineering Projects (India) Limited in the mechanical fields are

now particularly geared up to take on large turn-key projects including civil construction works.

Besides discussing the problems of public sector undertakings at recent meeting, following important decisions were taken with the concurrence and support of all those present and these were:

- (a) Production targets for these units will be revised upward by 10 per cent in terms of value; this means that the total revised target will be Rs. 8000 million as against the original target of Rs. 7250 million;
- (b) The units will, by and large, maintain their prices at the level prevailing on April 1, 1975;
- (c) The units will cut their budgeted non-productive expenditure by 10 per cent during the current year; and
- (d) Every effort would be made to ensure that the projects, now under implementation, will be commissioned at least three months ahead of the schedule dates.

Now one can look ahead to new vistas of achievements, the vistas of greater technological competence expressed in manufacture of sophisticated products, greater production integration among the units leading to optimization of investment and return and exports in volumes and of products not yet dreamt of.

SMALL INDUSTRIES FOR EDUCATED UNEMPLOYED

There were more than 4.5 million educated unemployed registered in the employment exchanges through out the country at the beginning of the Fifth Five Year Plan. Of these, more than 70,000 were graduates and diploma holders. Their number has been swelling every year. The problem is colossal and is being tackled in a systematic and determined manner.

In order to help these educated unemployed to set up their own small industrial units and provide employment to themselves and to nearly 10 times as many skilled workers, the Ministry of Industry and Civil Supplies has evolved two programmes one operated by the State Governments and the other by the Central Government. The funds for both these schemes are provided from the Central Exchequer. The State Governments also have their own schemes for assisting educated

unemployed to set up small industrial units. By the end of the 4th Plan, the State Governments had spent nearly Rs. 200 millions on such schemes. During the last three years of the Fourth Plan, the State schemes benefited nearly 90,000 educated unemployed.

The Central scheme for educated unemployed is intended for engineers and diploma holders. Nearly 4400 unemployed engineers were helped since the start of the scheme in 1971, involving a total expenditure of Rs. 4 millions. Of this number, 1,400 engineers have either started small-scale industries or are in the process of doing so. Another one thousand have been able to get other gainful employment.

In the case of the programme for the educated unemployed operated by the State Governments, the facilities and concessions are available to those who have passed at least the Higher Secondary examination and are presently unemployed. Among them would also be included unemployed engineers, unemployed technicians, science graduates, arts graduates and all unemployed persons with education in these disciplines after the secondary school examination. Separate schemes have been drawn up for the various categories. Generally speaking, these facilities cover the training of educated unemployed, allotment of land and shed in the growth centres or industrial estates, allotment of raw materials, sanction of electric power, financial assistance from banks and other financial agencies on easy terms. The Directors of Industries would have the proposals or capabilities assessed by a Screening Committee which would suggest to the educated unemployed the various available avenues of training or trades. Compared to the size of the problem, the facilities may not be fully adequate, but there is provision for assistance to all. Seed capital can be offered for small ventures, while accommodation-cum-residence can be made available in commercial estates. There are also possibilities of obtaining machinery on hire purchase basis besides other forms of assistance.

Under the Central scheme of self-employment for engineers, there is a composite programme of training, project preparation and interest subsidy. Selected engineers are provided training for a period of three months at the Small Industries Service Institutes at

various places throughout the country. Training facilities are available also at the Motilal Nehru Engineering College, Allahabad, the Regional Engineering College, Chandigarh, the Gujarat Industrial Investment Corporation, Ahmedabad, and the Proto-type Training-cum-Production Centres at New Delhi and Howrah.

In the Fifth Plan period, a provision of Rs. 20 million has been made under this scheme. Half the amount is meant for training and the other half for interest subsidy. During the training period, the unemployed engineer gets Rs. 250 per month as subsistence allowance. The training covers management and preparation of project. The trained persons are given preference by the Directors of Industries in providing assistance for setting up units. The interest subsidy under the scheme is to the extent of Rs. 20,000 for each unit in a year. In the Fifth Plan, it is proposed that package assistance for self-employment to young engineers would be made available to 1,600 engineers each year. It is estimated that the scheme would help to create employment opportunities for 80,000 technicians and other workers during the plan period.

In the current year, a sum of Rs. 1.85 million has been provided for the scheme of self-employment of engineers. The interest subsidy would claim Rs. 0.5 million out of this amount, while the rest would be spent on the training of unemployed engineers.

The Government feel that the pace of development should be faster if a real dent is to be made. Industrial administrations both at the State and at the Central levels have, therefore, been streamlined. The genuine needs of the entrepreneur will be met and all the guidance and assistance would be given from one focal point.

PRODUCTION OF ELECTRONIC CALCULATORS

A large number of licences/approvals for manufacture of calculators have been issued for a total capacity of 1.37 million nos. per annum. The current annual production is around 10,000 nos. and efforts are afoot to further increase production.

Accurate estimates of the demand of calculators are not available. It is however expected that the demand will be met by expansion of the existing units. There is, however, some scope for approving fresh capacity for programmable calculators, electronic accounting and invoicing machines. The existing units, particularly units with R and D capabilities would be encouraged in this field.

DEMAND FOR TELEMETRY, TELECONTROL AND DATA LOGGING SYSTEM

This is an area where system design and working capabilities as well as close liaison with the user play a vital role. Telemetry and telecontrol find application in a wide variety of areas e.g. power generation, transmission and distribution, oil and gas pipe lines, railway electrification, microwave links and aerospace. Data logging systems will find increasing application in process control industries like steel, petro-chemicals, fertilisers with a trend towards computerisations where a large number of channels are used. At present, a demand is emerging for such systems in the power systems control area, especially by the various State Electricity Boards. There is, however, still a lack of awareness on the part of prospective users about such systems. At present this market is not being served by local sources. There is, therefore, a need to build up system design and applications engineering capabilities in this area. Selective import of technology in terms of hardware, software as well as systems design know-how may be necessary for rapid development of this sector.

It is difficult to make an accurate assessment of demand since a great deal will depend upon marketing. Nevertheless, it is felt that the demand for telemetry and telecontrol equipment over the Fifth Plan period is likely to be around Rs. 250 million. In addition, there is likely to be a demand of Rs. 30-40 millions per annum for data logging systems by the terminal year of the Fifth Five Year Plan. Adequate capacity (545 systems p.a. including 400 nos. of the simple frequency shift keying type systems) has been approved in the area of telemetry and telecontrol. The progress of

implementation of the approved scheme has, however, been slow. In 1975-76, the progress of approved scheme will be watched.

In the area of data logging systems, there is a scope for further licensing and marketing need to be developed, particularly in the steel, fertiliser and petro-chemicals sector.

Foreign collaborations may be permitted on merits on special grounds of sophisticated technology or for establishing predominantly export oriented units.

MANUFACTURE OF MEDICAL ELECTRONICS

The field of medical electronics is expanding rapidly. Its market is growing at a rate of about 15 percent per annum. As these are life saving instruments, their quality and reliability are of prime importance. Sophisticated technology, interaction with clinical usage and good quality control facilities are required for the manufacture of these items.

At present, there are only two units in the organised sector manufacturing medical electronic equipment which are patient monitoring systems of different configurations. Their production during 1974-75 was about Rs. 30 million. The total imports of these equipments during the year were of the order of Rs. 15 million.

The total requirement of medical equipment during the Fifth Plan period is estimated to be around Rs. 650 million, out of which 50 percent is expected to be accounted for by electromedical equipment like X-Ray machines.

Items like, internal pace-makers, multichannel polygraph etc. are not presently being manufactured in the country. There is scope for establishing small as well as large units in this field. Export possibilities also exist. The units need to have a sophisticated marketing and servicing infrastructure.

Foreign collaboration on a limited basis can be considered on merits.

INDIGENOUS TECHNOLOGY FOR EXPEDITIOUS ECONOMIC GROWTH

The Council of Scientific & Industrial Research (CSIR) is a production-oriented research agency. Under its umbrella nearly 40 national laboratories cover a wide spectrum of national resources which India has and needs to utilize them for industrial growth. Scientists in the national laboratories are addressing themselves to the urgent task of meeting the economic challenges posed before the nation. Some of the processes developed by the national laboratories have been playing a vital role in meeting the present challenge.

In the past six years, the CSIR has taken a lead in developing technologies of immediate relevance to India's economic growth.

A healthy rapport has been developed with the industry and today it can be said that there is a greater outflow of technology from the national laboratories to the industry. The CSIR has also contributed significantly in making the Aryabhat, the India's first satellite, a success. Some national laboratories, especially the National Aeronautical Laboratory, Bangalore Central Electronics Engineering Research Institute, Pilani have at various stages assisted in the development and fabrication of the Indian satellite.

The Council of Scientific & Industrial Research technologies are in demand in the foreign countries also, especially in the developing ones. As an example of CSIR's contribution to the developing countries, the establishment of a consortium of six national laboratories under the Council of Scientific & Industrial Research to provide consultancy in civil engineering work can be cited. The consortium has been named Civil Engineering Consultancy Service (CECON). The CECON will seek and undertake consultancy projects in the country and abroad.

EVALUATION OF CRUDE OILS AND PRODUCTS

Indian Institute of Petroleum (IIP), Dehradun's expertise has obviated the necessity of sending crudes abroad for detailed evaluation-the cost of each such detailed evaluation would be about Rs. 0.5 million in foreign exchange, which can be done at IIP for a fraction of the cost. Crude oils evaluated in detail so far are indigenous. These studies directly assist in setting up the product pattern of refineries and selecting suitable processes. The evaluations resulted in an estimated saving of foreign exchange to the tune of Rs. 13 million.

IIP also undertook the evaluation of indigenous clays and found some having suitable properties for use in refinery process. The import of clays (about Rs. 4 million) per year has accordingly been stopped.

POWER DEVELOPMENT IN INDIA

Electric power is a vital input to productive activities both in the agricultural and industrial sectors of Indian economy. Over 80 per cent of the electrical energy consumed in India goes towards production purposes and any shortage in power availability has a serious impact on agricultural and industrial production. Thus, in order to maintain and increase production in all vital sectors of the economy, it is essential to ensure that the demands for power are met with utmost reliability. This has been recognised and the new 20-point economic programme announced by the Prime Minister recently has placed primary emphasis on the development of the power sector.

The demand for power has grown very rapidly after independence. The consumption by industries, which are the major users of electricity, has increased from 4625 million kwh in 1951 to about 38,500 million kwh in 1973-74. The growth in the demand from the agricultural sector has been phenomenal. In 1947, there were only 6400 agricultural pump sets operating on electricity consuming about 125 million kwh. At present, there are about 2.65 million pump sets depending on electricity and their requirement is about 6850 million kwh.

In order to meet these growing demands, the power generation facilities have been increased from about 1.9 million kw at the time of independence to 20.4 million kw at present. Transmission and distribution systems have been established extensively to deliver the power to the ultimate consumers. Despite these efforts, power shortages have been experienced in different parts of the country at different times. In 1972-73, a combination of factors led to a serious power shortage, which was widespread all over the country and threatened production seriously in all sectors of the economy. The widespread shortage persisted during 1973-74 and 1974-75 also, though there were improvements in certain areas during 1974-75. The situation called for a new approach to ensure minimum dislocation in the vital sectors of the economy in the short run and adequate power availability to meet the growing demands in the long run. The new approach required considerable initiative, coordination and guidance at the Central level.

During the early part of 1974, the Central Government carried out a detailed analysis to identify the reasons for the power shortage and problems faced by the power supply industry and evolved a series of measures to deal with the situation. The objectives were two-fold, viz. (i) immediate and short term objectives to maximise production from existing capacity and to distribute the available power in such a manner that the adverse impact on the productive sectors of the economy would be the least, (ii) medium and long term objectives to commission ongoing and new generation schemes expeditiously to increase power availability. The measures to be adopted to achieve the above objectives and improve the power supply position were discussed in detail and agreed upon at the Conferences of Chairman of State Electricity Boards and State Ministers for Power held in July, 1974. The measures initiated under the new approach since the middle of 1974 have started to yield results and there has been considerable improvement in the power supply situation.

Among the short term measures introduced, the most important were :

- (a) Steps to conserve energy for productive purposes and distribute the available power according to a system of graded priorities;
- (b) Steps to maximise energy production from existing thermal stations; and

(c) Steps to coordinate the operation of power systems and transfer power from surplus to deficit areas.

During the 1972-73 crisis, almost all the States and systems facing power crisis resorted to power cuts which were more or less uniformly applied on all major consumers and did not take into account their impact on the economy as a whole. Such a system of power cuts affected production in several priority sectors and industries which in turn had serious repercussions on the other vital sectors of the economy. For instance, power cuts on the coal mining industry affected the coal production, which in turn affected the power supply industry itself. The situation was reviewed at the Central Government level and a comprehensive system of rationing of power based on a graded system of priorities was evolved. Under this system, conspicuous and wasteful consumption, particularly in the domestic and commercial sectors, was discouraged and power supply to vital sectors like agriculture, transportation, coal mining and iron and steel and essential services like water supply and hospitals was recommended very high priority and as far as possible without any cuts. All the other industries were also graded according to their importance in the overall economy and power supply to the industries was to be guided by this priority. This system is being followed in all the States and it has helped in maintaining production in the important sectors of the economy and minimising loss in production in other areas.

One of the main causes of power shortage was found to be under-utilisation of thermal capacity in several power systems due to variety of reasons. The following measures were initiated to improve performance of thermal stations and maximise their availability and energy production from them :

- (a) Supply of better quality and adequate quantity of coal ;
- (b) Initiation of modern and improved maintenance procedures and techniques to improve the quality of maintenance and cut down the period of maintenance;
- (c) Arranging for timely availability of spare parts;
- (d) Arranging for training of operating and maintenance personnel;
- (f) Flattening of load curves to enable utilisation of surplus off-peak energy; and

(g) Promotion of integrated operation of power systems to improve utilisation of available capacities.

A target of annual energy generation of 6000 kwh/kw of installed capacity has also been fixed for all the thermal stations and the State Electricity Boards have been asked to achieve this target in stages. A system of monitoring of performance of thermal stations has also been introduced at the Central level. This has enabled the performance of each individual thermal station to be watched on a daily basis and timely initiation of measures to rectify drawbacks wherever they exist.

These measures have led to encouraging results and performance of thermal power stations all over the country has shown considerable improvement. The total energy generated from the thermal stations increased from 38230 million kwh in 1973-74 to 42865 million kwh in 1974-75, an increase of about 12%. Of this increase, about 3500 million kwh came solely from improvement in the performance of existing thermal stations contributing about 9% increase in the overall energy generation. The improvement during the months from September 1974 to March 1975 was significant. This would be evident from the following table which compares the performance of thermal stations during September 1974-March 1975 with that during September 1973-March 1974 :—

	Sep. 1973—Sep. 1974— March 1974 March 1975	
(i) Average plant utilisation	50%	55%
(ii) No. of thermal stations operating at level of		
(a) 6000 kwh/kw/annum and above	11	16
(b) between 500 kwh/kw and 6000 kwh/kw/annum	9	11
(iii) percent of total capacity operating at level of		
(a) 6000 kwh/kw/annum and above	11	26
(b) between 5000 kwh/kw and 6000 kwh/kw/annum	25	29

The maximisation of energy generation from the thermal stations was also discussed in detail at the recent Conference of the State Power Ministers and it has been agreed that (a) those thermal stations which

had generated more than 6000 kwh/kw during 1974-75 would maintain at least that level of generation during 1975-76; (b) stations which operated between 5000 and 6000 kwh/kw during 1974-75 would increase generation to 6000 kwh/kw during 1975-76; and (c) thermal stations which produced below 5000 kwh/kw 1974-75 would increase their energy production by at least 25 percent during 1975-76.

Power systems in most of the states are well connected. Inter-State links also exist in almost all the regions. The development of Regional grids has reached such a stage when India is able to derive benefits of integrated operation to a limited extent. The inter-State links are being further strengthened to derive larger benefits. The available links have enabled inter-State and inter-Regional exchanges of power from surplus to deficit areas. The most important exchanges during the past two years are the relief afforded by Badarpur and Delhi Thermal stations to Punjab, Haryana and U.P. states, relief from Kerala to Tamil Nadu, relief from Orissa to Andhra Pradesh, relief from Bihar/DVC to U. P. and relief from DVC to West Bengal and Orissa.

Good rainfall in most of the catchments of hydro-electric reservoirs so far during the current monsoon (1975) and melting of snow in the snow-fed rivers in the North have contributed to a general improvement in the energy generation from the hydel stations since June-July this year and also the storage position in the hydel reservoirs. With improved availability from the hydel sources, it has been possible to relax power cuts in almost all the states either partially or fully after the onset of the monsoon. At present, the power supply position is either normal or satisfactory in terms of energy in all the states except in U. P., Maharashtra, Goa, Andhra Pradesh and Karnataka. On the assumption that monsoon in the remaining period will be normal, the position during the post monsoon period is expected to be better this year than last year and it is anticipated that the energy availability during 1975-76 will increase by about 20 percent.

The power supply position during the post-monsoon months is expected to be satisfactory in Himachal Pradesh, Punjab, Rajasthan and Delhi in the Northern Region; Gujarat and Maharashtra in the Western Region; Kerala in the Southern Region and all the States in the Eastern Region. With the anticipated improvement in the situation, it is felt that the essential requirements of

the priority sectors of the economy like agriculture, mining and manufacturing industries, transportation, essential services etc. can be met. With careful planning to conserve power for essential purposes, discouraging conspicuous and wasteful consumption and integrated operation of the Regional power systems, it would be possible to meet the basic requirements of all the important sectors.

It has been identified that the main reason for the widespread power shortage in the country is the shortfall in the target of installed generating capacity planned during the Fourth Five Year Plan. Several measures have, therefore, been initiated to ensure expeditious completion of power projects by the target dates. These include 'continuous monitoring of construction to identify the bottlenecks and remove them wherever they exist, ensuring adequate supply of key construction materials, ensuring timely delivery of main generating and other equipment etc. These measures have already yielded encouraging results and it was possible to add 1720 mw to the installed generating capacity during 1974-75 compared to 466 mw in 1973-74. A target of commissioning about 2600 mw of new capacity has been fixed for 1975-76 and all efforts have been geared to achieve this target.

A number of power projects are under different stages of construction and all efforts are being made to complete them as expeditiously as possible. According to the present stage and programme of construction, it is expected that about 10 million kw would be commissioned during the last three years of the Fifth Plan.

The power development in India has reached a stage that it has become necessary to enlarge the spatial limits of development of the power supply industry beyond State boundaries and adopt regions as the spatial units. The main reasons for such a situation are gradual exhaustion of resources for power development in some of the States and uneven distribution of resources for power development among the political division of the country. In all the regions of the country, the constituent States have well-developed systems and inter-State links are also underway. Thus, India has reached a stage when it can consider setting up of power stations on a regional basis. This would enable us to adapt larger size generating units, which can fit into the regional power systems to derive the benefits of economies of scale. In view of the economic and technical advantages of a Regional approach to

power development, a broad strategy is being evolved in which consideration is being given to setting up of several Super-Thermal power stations near pit-heads and large hydro stations at favourable locations. These stations are proposed to be built and operated for the benefit of several States falling within their areas of influence. As they would serve the regional interests, such stations will be taken up in the Central sector. Several such schemes have been identified and feasibility reports on them have already been prepared. Steps are now underway to initiate advance action on them so that benefits from them could be derived during the Sixth Plan period.

In the context of rapidly growing power systems and the complexities involved in planning, design, construction and operation of the power supply facilities, the inadequacies of the structure of the electricity supply industry and the need for reorganisation at the Central and State levels have been recognised. Necessary steps are being taken to reorient the structure of the industry on the following lines :

The Central Electricity Authority has been constituted as a full time body with much wider responsibilities.

The Central generation projects and inter-State transmission lines are proposed to be executed through companies set up under the Companies Act. The electricity industry at the State level is proposed to be reorganised primarily for the purpose of improving the capabilities for construction of power projects and for maximising efficiency of generation, transmission and distribution of power. In this context, the State Electricity Boards are proposed to be professionalised and their organisations strengthened to enable them to handle, on a functional basis, all the important aspects of work. Appropriate steps to further specialisation of skills would be adopted in the Boards and personnel policies modified accordingly.

Regional Electricity Boards would continue as voluntary associations primarily responsible for operation of the inter-State grids and Regional Load Despatch Centres.

It is hoped that the measures that are being introduced under the new approach from time to time under the initiative of the Central Government in collaboration with the States, would lead to rapid and healthy growth of the power sector.

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INDIAN HOCKEY BALLS POPULAR ABROAD

M/s. Beat All Sports, Post Box No. 408, S-114-115, Sports Town, Jullundur-4, a client firm of the Trade Development Authority, have secured for their hockey balls a world-wide recognition. Their Vampire Hockey Balls have won the distinction of being used in the 3rd World Cup Tournament, held recently in Kuala Lumpur in which India emerged victorious and regained its top position in the field of hockey. Their hockey balls were given preference over the English ones. The Vampire Hockey Sticks manufactured by this unit have also earned popularity among the teams all over the world. Out of 12 teams which participated in the 3rd World Cup Tournament in Kuala Lumpur, as many as 8 teams chose to play with the Vampire Hockey Sticks because of their excellent quality. The Vampire Hockey Sticks and Balls are gaining increasing acceptability in the world tournaments. The firm's exports amounted to Rs. 0.562 million in 1974-75.

Indian sports goods industry has witnessed spectacular expansion both in production and exports in recent years. The estimated annual production of the industry is of the order of Rs. 100 million and nearly 70 per cent of the production is exported. Despite keen competition in the world market, there is a considerable growth in the exports from India, increasing from Rs. 6 million in 1969-70 to Rs. 72 million in 1974-75.

IMPRESSIVE RISE IN SILK GOODS EXPORT

A substantial increase of 29 per cent in the export earnings from silk goods was recorded in the month of July 1975, as compared to the corresponding month of 1974. The total value of the exports was Rs. 14.74 million. This was indicated by the Central Silk Board in a review of the export performance of the silk industry.

The improvement in export performance has been mainly due to a spurt in the overseas demand for silk

sarees. The principal customers were Malaysia, Singapore and the United Kingdom. There has been a marginal increase in the overall earnings during the period April-July, 1975, with exports valued at Rs. 47.64 million as against Rs. 46.15 million in the corresponding period of last year.

Indian silk and silk goods are exported to various countries in South East Asia, Europe and America. The principal buyers are: Malaysia, Singapore, the U.K., France, West Germany, the U.S.A., Italy, Kenya, Switzerland, Japan, Sweden, Belgium and Denmark. During the quarter April-July, 1975, purchases by these countries were in the same order with Malaysia and Singapore at the top (Rs. 7.98 million), closely followed by the U.K. (Rs. 7.34) million, France (Rs. 5.58 million), and West Germany (Rs. 5.31 million). The total sales to other countries not mentioned above were worth Rs. 6.64 million.

With the encouraging trend in silk exports during the current year, it is expected that the export target would be easily achieved.

SUPPLY OF RAILWAY ROLLING STOCK TO TANZANIA

The Project and Equipment Corporation has signed a contract with the Government of Tanzania for the supply of (1) 30 Bogie petrol tank wagons, (2) 17 Passenger Coaches, (3) 5 Steam Locomotives, (4) 15 Diesel Electric Locomotives and (5) Spares for all the above four items.

These rolling stocks which are worth about Rs. 120 million will be supplied on ten years credit including a two-year grace period. The credit is being provided by the Industrial Development Bank of India and the State Bank of India. Deliveries of these rolling stocks are expected to start in about seven to eight months and will be completed within two or three months thereafter. Only the supply of diesel electric locomotives will be completed in about 16 months' period. The wagons are to be manufactured by the Southern Railway Workshop, Trichanapalli; Coaches by Integral Coach Factory, Madras, Diesel Electric Locomotives by Diesel Locomotive Works, Varanasi and the Steam Locomotives will be reconditioned at Golden Rock Workshop.

EXPORTS TO WEST GERMANY

During the first half of 1975 Indian exports to West Germany increased by 19 per cent as compared to the same period in 1974. Considering the sluggishness of consumption in West Germany and the fact that all the

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MEASURES FOR AGRICULTURAL DEVELOPMENT

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industrial countries are in the grip of recession, Indian exporters achieved remarkable results in the West German market. The trade gap has been reduced. In January, June, 1975 India's exports to West Germany were of the value of, 243636DM and in January-June, 1974, these were 205135DM.

The progress in Indo-West German trade relations can be seen from the fact that the volume of trade during the first half of 1975 is as high as the total volume of Indo-German trade in 1969.

BUSINESS BOOKED AT INTERNATIONAL ENGINEERING EXHIBITION IN MELBOURNE

The Indian Engineering Industry participated prominently in the International Engineering Exhibition held in Melbourne from July 28th to August 2nd, 1975. The Indian Pavilion exhibited a wide range of engineering products from light machinery, bandsaws, cutting tools, pumps, cycles to machine tools. One of the major attractions of the pavilion was a 100-ton press. This press was sold at the exhibition and negotiations are in progress for the sale of guillotine shear. HMT sold machine tools worth A\$50,000. Negotiations were initiated for the sale of other machine tools. Besides, orders were booked too for the sale of hacksaw blades for A\$500 and circular saws for A\$70,000. Two cycles as samples worth A\$70 and steel files worth A\$20,000 were sold at the exhibition. Apart from the business which materialised on the spot, a number of firm enquiries were registered on which follow-up action is continuing and significant business is likely to eventuate.

There were in all 19 participants and all excepting 6 had representatives at their stands, who attended to the enquiries. Enquiries received for products of 6 unrepresented firms numbering 32 and these are being dealt with by the Engineering Export Promotion Council, Calcutta under intimation to the Consul General of India, Sydney.

PRODUCTION OF CERTAIN ZONES TO BE EARMARKED FOR EXPORTS ONLY

The Government has decided to provide a balanced package of incentives, by way of import entitlements and compensatory support to the exporting community. The idea of insulating certain zones of production from the pressures of the domestic market and earmarking the entire output of these zones for export has also been accepted by the Government.

This was revealed by the Deputy Commerce Minister, Mr. Vishwanath Pratap Singh recently in the 'Workshop on Export Prospects', organised by the Federation of Indian Chambers of Commerce and Industry. The Minister expressed the hope that these two policy measures, which the Government was contemplating to introduce alongwith the other measures which had already been taken to simplify and liberalise licensing and other procedures, would prompt a more sustained interest in export production in the years to come.

The Deputy Minister said that the growth of exports depended on growth in agricultural production and industrial output and pointed out that on both these accounts, the outlook was optimistic. But exports depended also on international trading conditions and the situation in developing countries was still somewhat uncertain because recession was very much in evidence as yet, he added. The Minister, however, said that according to the latest indications, the worst was over in the international economic scene and that in the last quarter of 1975 the upswing might start again. He remarked that this would mean a renewal of the normal trend in growth rate in exports to the developed regions of the world.

The Deputy Commerce Minister said that wage push inflation continued to be a major feature in the economies of the industrialised world and these countries might gradually be forced to vacate more and more areas which were relatively labour-intensive and involved less sophisticated technology. He informed the participants in the seminar that the European Economic Commission had expressed interest in providing assistance for the development of production facilities in various fields such as

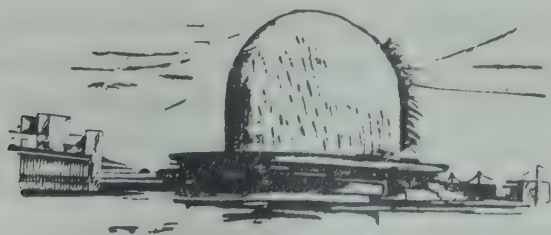
the beneficiation and pelletization of coal and iron ore, finishing and tanning of leather, improvement of cattle feed and forest products and similar other items. He also expressed the hope that under the aegis of the Indo-US Joint Commission, India would be able to secure a large range of sub-contracting opportunities in development projects undertaken by American firms in the Middle East and elsewhere.

Emphasising the importance of research and development, the Deputy Minister said that the country would have to face the challenge of substitutes, as had been in the case of jute manufactures. To meet such problems, continuous research was necessary for the improvement of technology. The R&D should be taken as basic an investment as in any other line of production, he added.

SUCCESSFUL PARTICIPATION IN COLOGNE FAIR

India has made a substantial impact in recently concluded MEN's FASHION WEEK held at Cologne (Federal Republic of Germany) from 22nd to the 24th August, 1975. India was one of the 31 countries participating in this Fair which had 819 exhibitors, of which 361 were foreign participants. 28,000 specialist buyers from 56 countries, visited the Fair.

Under the aegis of the Cotton Textiles Export Promotion Council, 15 Indian firms exhibited ready-made garments at this Fair. As a result of the display arranged by the Indian firms, significant bookings of orders were secured. On-the-spot confirmed bookings totalled Rs. 11.1 million and additional orders awaiting confirmation were worth Rs. 4.3 million. Besides, many serious enquiries were also received which on materialisation would amount to Rs. 7 million. The popular items included Madras Checks, Crepe products, T-Shirts and cambrics.



WOOLLEN EXPORTS DURING 1974-75

India's total wool and woollen exports during the year ended March, 1975 stood at Rs. 613.2 million (This export figure is provisional pending receipt of complete export data from the Department of Commercial Intelligence and Statistics, Calcutta.). This works out to a rise of Rs. 77.4 million over the corresponding figure of Rs. 535.8 million for 1973-74, or to a percentage rise by 14.45 percent.

The Hosiery sector continued to show its upward trend during the year under report with the off-takes rising from Rs. 175 million to Rs. 192.7 million. During the year 1974-75 export of woollen knitwears showed a rise of Rs. 17.7 million or 10.11 percent in their export earnings. In terms of quantity, the exports of woollen knitwears amounted to 1.90 million kgs. as against 2.13 millions kgs. observed in 1973-74. The off-takes showed increases mainly in respect of one principal destinations viz. U.S.S.R. (from Rs. 142.4 million to Rs. 167.1 million), Saudi Arabia (from Rs. .468 million to Rs. 2.087 million), Poland (from Rs. .322 millions to Rs. .494 million), Dubai (from Rs. .433 million to Rs. .866 million), Bahrain (from Rs. .498 million to .769 million), and Kuwait (from Rs. .253 million to Rs. .586 million).

Iraq, Yemen Arab Republic, Tanzania and United Arab Egypt emerged as new important markets with important off-takes of Rs. 1.832 million, Rs. .824 million, Rs. .307 million and Rs. .264 million respectively.

Export of carpets, the chief traditional export item, recorded a marked rise of Rs. 54.8 million or 22.03 percent during the year, the export earnings for the two comparative years being Rs. 248.7 million and Rs. 303.5 million respectively. In terms of quantity, the woollen carpet exports went up from 2.380 million sq. mts. (in 1973-74) to 2.578 million sq. metres (in 1974-75). The main factors responsible for this significant rise are :

- (i) Continuance of 10 percent cash subsidy on the export of woollen carpets whose F.O.B. value was Rs. 150 and above per sq. metre.

(ii) Increase in overall demand of carpets made out of wool, on account of the shortage of petro-chemical products and other basic raw materials used in the manufacture of synthetic fibres.

(iii) Comparative decline in the production in Oriental carpets manufacturing countries.

Substantial increases in the export earnings, came from West Germany (from Rs. 60.5 million to Rs. 106.3 million), U.S.A. (from Rs. 83.8 million to Rs. 98.1 million), Belgium (from Rs. 6.108 million to Rs. 10.366 million), Denmark (from Rs. 1.878 million to Rs. 3.340 million), Switzerland (from Rs. 2.074 million to Rs. 4.202 million), and Sweden (from Rs. 6.853 million to Rs. 8.811 million).

Czechoslovakia emerged as new important destination with its off-take of Rs. 2.308 million during the year. Marginal increases were noticed in the case of Canada (from Rs. 19.088 million to Rs. 19.314 million), Australia (from Rs. 11.819 million to Rs. 12.560 million), Italy (from Rs. .888 million to Rs. 1.176 million) and Netherlands (from Rs. 3.884 million to Rs. 4.098 million).

Some notable gains were observed in respect of other main destinations viz. Canada (from Rs. 1.406 million to Rs. 4.185 million), Denmark (from Rs. .348 million to Rs. .686 million), Sweden (from Rs. .006 million to Rs. .334 million), Hongkong (from Rs. .110 million to Rs. 386 million), Singapore (from Rs. .028 million to Rs. .180 million), USA (from Rs. .610 million to Rs. .726 million), Zambia (from Rs. .213 million to Rs. .426 million) and Australia (from Rs. .122 million to Rs. .383 million).

North Korea, South Korea and Mauritius were new destinations during 1974-75 with their important off-takes of Rs. 1.445 million, Rs. .470 million and Rs. .606 million respectively.

In case of raw wool, significant rise was noticed in respect of U.S.S.R. (from Rs. 33.161 million to Rs. 56.628 million) during the year under review.

The exports of blankets more than doubled during 1974-75. The corresponding figures during the last two years were Rs. 5.953 million and Rs. 15.119 million respectively. In terms of quantity, blankets export rose

to .764 million kgs. in 1974-75 from previous year's export figure of .338 million kgs.

The rise in the export of woollen blankets was mainly due to the huge orders placed by Iraq.

Major gains were observed in the case of Muscat (from Rs. .894 million to Rs. 2.782 million), Dubai (from Rs. .690 million to Rs. 2.173 million), Abu Dhabi (from Rs. .303 million to Rs. .647 million) and Saudi Arabia (from Rs. .276 million to Rs. .473 million).

Iraq, Libya, U.A.R. and Kenya were found to be new important markets which imported blankets worth Rs. 5.709 million, Rs. 1.163 million, Rs. .465 million and Rs. .388 million respectively during 1974-75.

The export earnings from shawls during the year were almost double of the previous year. The comparative export figures during 1973-74 and 1974-75 were Rs. 4.542 million and Rs. 8.809 million respectively. The number of shawls exported during the year 1974-75 stood at .222 million pieces against .170 million pieces exported during the preceding year.

The increase in the export of shawls was due to larger off-take amounting to Rs. 4.543 million by Saudi Arabia.

Significant rises were observed in the case of India's main buyers viz. Saudi Arabia (from Rs. 1.607 million to Rs. 4.543 million), Bahrain (from Rs. .463 million to Rs. 1.533 million) and Yemen Arab Republic (from .175 million to Rs. .815 million), Dubai (from Rs. .241 million to Rs. .540 million) and Muscat (from Rs. .190 million to Rs. .349 million).

United Arab of Egypt emerged as new destination with its off-take of Rs. .202 million during the year.

INDO-KENYAN TRADE

A proposal was mooted in 1965 for an Indo-Kenyan Trade Agreement, which has since been shelved. The absence of an agreement, however, poses no difficulties in the flow of trade.

India continues to enjoy a favourable balance of trade with Kenya although the total value of India's exports to Kenya in 1968 had declined slightly, due to change in the patterns of exports, the Africanisation policy of the Kenyan Government and local production of cheap quality textiles. However, the trade between the two countries since 1967 to 1972 was more or less on an even keel. It was in 1973 and 1974 that the value of India's exports to Kenya increased considerably and the balance of trade was much more in India's favour. The following table shows the figures of India's trade with Kenya since 1970:-

	<i>Imports from India to Kenya (K. Shs.)</i>	<i>Exports to India from Kenya (K. Shs.)</i>	<i>Balance of trade (K. Shs.)</i>
1970	62,078,357	54,696,121	+ 7,382,236
1971	72,979,641	37,485,593	+ 35,494,048
1972	78,680,753	46,529,810	+ 32,150,943
1973	80,640,520	30,414,124	+ 50,226,396
1974	129,602,984	56,006,627	+ 73,596,357

(Rate of exchange: Rs. 100 = K. Shs. 98)

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

COMMISSIONING OF SECOND STEAM GENERATOR

An additional 1,20,000 KW of electric power would be available to West Bengal following the formal commissioning of the second 1,20,000 KW steam turbine generator set supplied by Bhopal Unit of Bharat Heavy Electricals Ltd. at Santaldih Thermal Power Station. BHEL, Bhopal — built first set of the same capacity is already in operation at this power station since October, 1973.

With an ultimate capacity to generate 4,80,000 KW of power, Santaldih will be the biggest thermal station in West Bengal. On completion, it will have four steam turbine generator sets of 120 MW each — all on order with BHEL, Bhopal out of which two have already been supplied.

The power station is located beyond the river Gowai which has plenty of water. A number of coal mines and coal washeries are functioning for several years around Santaldih. This coal will now be feeding the power station. The coal requirement for one set of steam turbine and generator alone is 1200 tonnes per day.

This is an excellent achievement especially in view of the fact that hardly a decade ago, such equipment was not only imported, but foreign engineers had to be called even to erect and commission the equipment.

MORE CRUDE FROM INDIGENOUS SOURCES

The Minister for Petroleum & Chemicals, Mr. K.D. Malaviya told members of Parliamentary Consultative Committee attached to his Ministry recently that the country would be able to produce up to 45 per cent of its total requirements of crude oil from its own oil fields in the next two to three years. It was at present producing approximately 7.5 million tonnes of crude oil representing about 33 per cent of the total consumption.

The Minister said that the Oil & Natural Gas Commission was now preparing to produce oil from the Bombay High and it was expected that by the end of next year 1 to 2 million tonnes of oil would be produced from this offshore oil field.

Mr. Malaviya said that in the very near future additional offshore areas would be taken up for the search and production of oil.

The Minister said that tempo of exploration had increased in the last few months. The organisational abilities of the Oil & Natural Gas Commission and the number of its technical personnel capable of taking up fresh challenges of oil exploration both onshore and offshore were being increased.

Mr. Malaviya added that nearly 100 highly qualified engineers had recently been recruited by the ONGC. These engineers after intensive training at the Institute of Drilling at Dehradun and the Reservoir Studies Institute at Baroda would be ready to join the band of older and experienced technicians of ONGC by next year.

The Minister said that theories regarding onshore search of oil as well as the techniques of recovering the same were fast changing.

The Minister said that the ONGC was not relaxing its efforts regarding onshore operations and they were carrying out geological seismic and gravity-cum-magnetic surveys in various parts of the country. The Commission had already taken up exploratory drilling in Punjab, Jammu & Kashmir, Rajasthan, Tripura, Tamil Nadu and West Bengal and it may also go into new areas.

Mr. Malaviya said that the increases in the price of crude oil had placed an unbearable burden on India. The country could ill-afford to increase its import bill on account of fuel, fertilisers and food. It was, therefore, necessary to increase indigenous production of oil and at the same time curb consumption of petroleum products.

In this context Mr. Malaviya referred to the possible price increase by OPEC countries on account of dollar devaluation and hoped that OPEC would consider very seriously the implications and consequences of such an increase for developing countries.

Regarding availability of petroleum products, the Minister said that a Committee had been set up to examine how distribution of petroleum products could be improved so as to make them available even in the remotest villages in the country. The Committee had prepared an interim report which was expected to be submitted to the Government shortly.

The Minister controverted a suggestion in the press that all Bitumen production should be converted into Furnace Oil and said that if that were to be done, it would affect the production of middle distillates like Kerosene and HSD. Some bitumen was, however, being converted into Furnace Oil, he added.

The Minister said that through fiscal and regulatory measures last year, it had been possible to bring down consumption of various petroleum products. The consumption of Motor Spirit (petrol) had fallen by 22 per cent, Kerosene by 17 per cent, Furnace Oil by 6.5 per cent, LDO by 16 per cent and Bitumen by 23 per cent. The overall consumption in the 1974 declined by 3 per cent as compared to 1973 whereas in the past the consumption

of petroleum products used to increase at an average rate of 9 per cent or more per year. While this policy was being continued subject to modifications, it was not possible in a growing economy to maintain the same consumption rate as in 1974. The expectation was that compared to last year the consumption during the current year would be about 5 per cent more.

INCREASE IN FERTILISER PRODUCTION

The Minister for Petroleum & Chemicals, Mr. K.D. Malaviya, recently told members of the Consultative Committee of his Ministry that the production of nitrogenous fertilisers during 1975-76 was expected to be about 1.5 million tonnes which will be about 30 per cent more than the production in last year.

As a result of measures adopted by the Ministry of Petroleum and Chemicals, the production so far was ahead of the last year's production by 60,000 tonnes. Last year's production of Nitrogen was 35.48 million tonnes till July 31. The production this year upto the end of July was 39.68 million tonnes. Production in August was 18,000 tonnes ahead of the production during last year.

The Minister said that despite difficulties, the fertiliser industry had as a whole continued to grow at a consistent rate of 16 to 18 per cent per year. The production of fertilisers was now being monitored from week to week in order to achieve the target of 1.5 million tonnes of nitrogen from the operating plants.

Mr. Malaviya said that the capacity utilisation of fertiliser units in the public sector was expected to increase to 70 per cent from the current 51 per cent. Certain constraints like power shortage etc. were no more afflicting the fertiliser plants like Nangal which for the first time in many years was getting almost full supply of power.

Some members referred to the reported piling up of stocks with fertiliser factories. Sharing their anxiety, the Minister said that while some stocks had accumulated, there was no particular cause for worry because these stocks were expected to be cleared soon.

The Minister of State Mr. K.R. Ganesh said that the fertiliser prices have recently been reduced. The prices of fertilisers in the world market were also falling. The members were informed that fertiliser import had been deferred till the end of this year and would be considered only next year.

PRODUCTION OF FORGED HAND TOOLS

Forged hand tools cover items like spanners, wrenches, pliers, screw drivers, etc. There are at present 8 units in the organised sector manufacturing forged hand tools with an installed capacity of 11,370 tonnes per annum, the bulk of which is exported. Besides this, letters of intent for an additional capacity of 75,170 tonnes per annum have also been approved with the export obligation upto 60 per cent of production.

The production in the organised sector in terms of value during the last three years was as under :

1972	Rs. 85.386 million
1973	Rs. 89.433 million
1974	Rs. 128.446 million

In addition, a number of small scale industries are producing some types of forged hand tools.

This is an export oriented industry and exports were of the order of Rs. 42.3 million and Rs. 49.0 million during 1972-73 and 1973-74 respectively. Imports are restricted to very specialised items.

The Task Force of the Planning Commission has projected a demand estimate of 20,000 tonnes per annum by the end of 1978-79 with expectation that at least 10,000 tonnes will be exported.

The bulk of the plant and equipment are available from the indigenous sources. The main raw material is carbon steel, which is indigenous. Imports are restricted to special type of alloy steel such as chrome vanadium steel, etc.

Sufficient capacity has already been approved in this field. It is expected that with the implementation of

approved schemes, sufficient capacity will be created to achieve the target laid down for the Fifth Plan.

MANUFACTURE OF ROCK ROLLER BITS

Tricone rock roller bits are used in oil and water well drilling. The estimated annual demand is 12,000 nos. per annum. One unit has commenced production and its licensed capacity is 3000 nos. per annum. Letters of intent have been issued to 4 more parties for a capacity of 12,000 nos. per annum.

Well prepared schemes for the manufacture of rock roller bits from the raw material stage will be considered on merits. Foreign collaboration can also be considered on merits.

MANUFACTURE OF DIAMOND DRILLING BITS AND DIAMOND TOOLS

There are six units manufacturing diamond bits and tools. The existing licensed capacity for mining bits is 45,500 numbers per annum and for tools 110,878 numbers per annum. Letters of intent have been issued for an additional capacity for 86,500 numbers of tools.

The production during the last three years was as follows :

	<i>Diamond Tools</i>	<i>Diamond Bits</i>
1972	44,385 nos.	34,908 nos.
1973	46,600 nos.	28,704 nos.
1974	50,000 nos.	35,000 nos. (estimated).

The exports of diamond drill bits and tools have been showing an increasing trend as would be seen from the following figures :

1971-72	Rs. 3.0 million
1972-73	Rs. 4.26 million
1973-74	Rs. 5.525 million

The main raw material is industrial diamonds, both natural and synthetic. These are imported.

The Task Force has estimated the demand by 1978-79 as under:

Diamond drill bits	60,000 nos.
Diamond tools	97,500 nos.

This demand could be met by the existing manufacturers during the course of their natural growth. Besides, there are several units in the small scale sector specialising in some of these products. There is no scope for new units in this field.

GRINDING MEDIA STEEL BALLS

The annual capacity registered and licensed is of the order of 46,000 tonnes. The entire capacity is likely to materialise by 1978-79. The production, imports and exports in the last three years were as under :

<i>Year</i>	<i>Production (tonnes)</i>	<i>Year</i>	<i>Imports (Rs. in million)</i>	<i>Exports (Rs. in million)</i>
1972	13,034	1971-72	0.081	0.057
1973	13,085	1972-73	0.290	0.087
1974	15,309	1973-74	0.393	0.042

The estimated annual demand by 1978-79 would be 36,500 tonnes. As sufficient capacity has already been licensed to meet the estimated demand.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

TIP ICE MAKER

The Central Mechanical Engineering Research Institute (CMERI), Durgapur has developed a machine which produces crystal clear hemispherical ice tips at moderate cost.

It is an automatic direct-freezing type ice-making machine which is compact in size and requires only 220-v 15 amp. electric power and proper water supply for its functioning.

It starts producing ice-tips within an hour of its working, subsequent batches of ice tip can be produced within 20-26 minutes. Depending upon the quantity of

in-storage, the machine starts and stops automatically as and when required.

The ice-maker is completely indigenous. It is self-contained and requires less initial investment than the other conventional units. The size of the ice tips can be varied as desired. The ice is hygienic for human consumption. The special shape and ready-to-use size of the ice-tips make them highly suitable for hotels, restaurants, laboratories, etc.

The present prototype of the ice-maker, which is expected to produce about 2 kg. of ice in an hour, is estimated to cost about Rs. 9600. It consumes about one unit of electric power per hour and produces ice at about 24 paise per kg. as against 37 paise for the conventional block ice.

NEW PROCESS FOR FIBRE BOARD PACKING CASES

The Regional Research Laboratory, Jammu, has worked out a process for the production of fibre boards from pine needles. The boards are suitable for making packing boxes.

Huge quantities of pine needles, which amount to nearly 2.7 million tonnes per annum, are available in the forests. It is estimated that about a tonne of needles fall down per hectare every year. Even if 5 per cent of the annual fall of pine needles is collected from easily approachable forests, the quantity will amount to 1,35,000 tonnes. Presently the needles are not being used for commercial purposes.

The board can be used for making packing cases for fruit transport. The annual requirement of fruit packing cases in Jammu & Kashmir is about 2.5 million boxes and that of Himachal Pradesh, 8.6 million boxes. The packing box designed by the laboratory can withstand a static load of one tonne when fully packed.

A small-scale unit of 2-tonne per day capacity fibre board plant can produce about 850 packing cases a day. The unit can be set up at sites where the raw material is abundantly available.

The estimated cost of production of fibre board is about 32 paise per sq. ft. and that of a packing box of 20 kg. capacity is Rs. 4.80. Each unit of 2-tonne capacity will require about 960 tonnes of pine needles per year.

NATIONAL WELDING RESEARCH INSTITUTE FORMED

Welding is used as a major tool of fabrication in a number of fields, such as, the manufacture of process equipment for chemical, fertilizer and petroleum refining plants, power generation equipment, industrial boilers, automobile industry, aircraft industry etc. Nuclear and space engineering requires sophisticated welding processes, like laser welding, electro-beam welding, ultra-sonic welding. Welding is also a major tool of fabrication in the construction industry. The application of welding is of vital importance in fabrication of mobile and fixed platforms for exploitation of oil and gas from sea-bed.

Although the use of welding in India has caught on at a rapid rate, there has not been any significant development in the use of sophisticated methods that find wide applications in the advanced countries. Lack of indigenous RDD efforts has been responsible for heavy imports of welding equipment and consumables with subsequent drain of foreign exchange. The limited RDD efforts undertaken in public and private sector enterprises have not made substantial results. The rapid growth of welding technology and the increasing role played by it in the industrialisation of the country has brought around its stride a number of problems which require immediate attention.

The survey conducted by the National Committee on Science and Technology (NCST) in the field has revealed that almost all the automatic and semi-automatic equipment and a large percentage of manual welding equipment are being imported in the country due to lack of indigenous technology. In the field of welding consumables there is a lack of consistency and quality particularly for special applications. Most of the fluxes for submerged arc welding and all the fluxes required for electro-slag welding are being imported into the country. In the field of welding education and training, the present performance is far from satisfactory.

In view of all this, a strong need has been felt for the establishment of a viable research, development and design (RDD) organisation which could serve as the nucleus for growth and development of welding technology in India. The recommendation of the NCST panel to establish a Welding Research Institute and regional centres has been approved by the Government. The Bharat Heavy Electricals Ltd., Tiruchy, has been entrusted with the responsibility of establishing a mother institute with the following objectives :

- (a) To serve as an effective information centre to provide consultation and quality control services to welding fabrication, welding machinery and consumables manufacturing industries;
- (b) To provide training facilities at different levels for specialised fields of application and testing and certification facilities for operators and inspectors; and to provide testing and training facilities both for destructive and non-destructive testing pertaining to welding;
- (c) To arrange periodical refresher courses on modern welding processes and consumables for different levels of personnel engaged in the field of welding;
- (d) To carry out primarily applied research in the field of welding; to keep track of the developments taking place elsewhere in the world and carry out necessary work for adapting them to suit the country's requirement and make innovations starting from that as base for new breakthroughs; to concern itself with the materials, their quality, their weldability and their development; and to carry out adequate amount of fundamental research to clarify the problems faced in the course of applied research;
- (e) To design joining machinery to suit India's condition; to test and certify prototype equipment and consumables based on performance appraisal tests; and to undertake design and manufacture of special machinery which may be required in few numbers;
- (f) To provide consultation in welded design work; and

- (g) To act as a clearing house for import of technology and specialised equipment/consumables to meet the time-bound commitment to the industry.

MEASURES FOR AGRICULTURAL DEVELOPMENT

The Union Minister of Agriculture and Irrigation, Shri Jagjivan Ram, has called for quick action to follow up the moratorium on rural debts with measures for redemption of debts in the case of the very poor and the liquidation of rural indebtedness by stages in the case of others among the weaker sections.

Besides laying down certain guidelines for debt relief, the Union Minister has outlined the steps to be taken to fill the credit gap that may arise.

The Union Minister also forwarded the major conclusions of an inter-Ministerial Group which was constituted in the Department of Rural Development of the Union Ministry of Agriculture and Irrigation to examine the various issues. While the States have been advised to bear in mind the conclusions of the group in drafting their legislation, this need not prevent a State from adopting any other model on one or more points, if that is found to be more suited to the local conditions so long as the main objective of giving relief to the weaker sections is kept fully in view.

The Minister has suggested to the Chief Ministers that a determined push be given to the programme which requires considerable organisational effort if it is to succeed. He has requested each Chief Minister to review the position at his own level and set the task to be performed by each concerned department of the State Government as a time-bound programme.

The Minister has drawn attention to some of the issues raised by the inter-Ministerial Group. The first concerns the definition of the weaker sections. The redemption and scaling down of debts will cover the landless, small and marginal farmers and rural artisans.

Another point to which attention has been drawn is that debt relief measures may result in credit from private sources becoming scarce; the institutional credit agencies such as commercial banks and co-operatives will, therefore, have to step in to a larger extent to fill the gap. The problem may get accentuated if special debt relief measures are extended to the categories who are really not in particular need of such relief.

It has been emphasised that there is need to ensure some measures of uniformity in the coverage of beneficiaries in the different States.

The Minister has drawn attention to an analysis made in the Ministry of Agriculture and Irrigation which showed that it may not be too difficult for financing institutions such as cooperatives and commercial banks to largely fill the gap, if special measures are taken, the details of which the Centre expects to indicate shortly. However, it is pointed out that certain decisions have already been taken at the national level, which have become a part of the accepted policy of the Government of India, the State Governments and the Reserve Bank of India, about the greater flow of agricultural credit through cooperative institutions and commercial banks to small and marginal farmers and other weaker sections of the rural community. The Minister has emphasised to the Chief Ministers the need to implement these policies vigorously with the unstinted support of all concerned.

It is of vital importance, the Minister said, that cooperative institutions at the primary level, which are the main purveyors of rural credit, are made strong enough to play the role assigned to them. The Minister has drawn attention to the suggestions made by the officers of the Reserve Bank and the Ministry of Agriculture and Irrigation after visits to a number of States, on the reorganisation of the existing cooperative societies into large-sized multipurpose viable units some of which should be Farmers' Service Societies. These are to be financed by Central Cooperative Banks or commercial banks as the case may be.

The major suggestions of the inter-Ministerial Group in respect of permanent relief are the definition of debt, the definition of beneficiaries, legislation for compulsory registration of money lending business, guidelines for total redemption of debt in the case of weakest sections of the population, and the need to bar the jurisdiction of civil courts in certain proceedings.

The Group has suggested that the liquidation of rural indebtedness will have to be carried out in stages. It has recommended total relief from indebtedness in one stage for landless labourers and rural artisans whose annual household income does not exceed Rs. 2,400, and also for marginal farmers owning up to one hectare of unirrigated land. Every debt including the amount of interest, if any, payable by a person of this category with effect from a prescribed date should be deemed to be wholly discharged.

In the case of small farmers owning unirrigated land more than one but up to two hectares, the debts would be scaled down in accordance with certain norms, for which the repaying capacity of the debtor would need to be determined. After taking into account the consumption requirements and commitments for meeting farm investments and loans taken for production purposes and the present high cost of inputs, the Group felt that 40 per cent of the gross value of the agricultural produce of small farmer may be required for meeting his consumption needs, another 40 per cent for meeting fresh commitments such as farm investments and repayment of production loans. The repayment of the scaled-down debt would have to come from the remaining 20 per cent of the gross value of the produce. The period of repayment of debts may be reckoned upto 7 years. The debts will, therefore, be scaled down to fit in with the above formula. There will be no recovery of amount in excess of the debt scaled down and portion of the debt in excess shall be extinguished.

The interest payable on debts that are to be settled shall be calculated at the rate applicable to debt under the law, custom, or contract or at 6 per cent per annum whichever is less, and credit shall be given for all sums paid or credited first towards outstanding interest and the balance, if any, would be credited towards repayment of the principal. The principal and the interest outstanding thus calculated will be considered as the net outstanding debt as on the prescribed date for the purpose of scaling down as stated above.

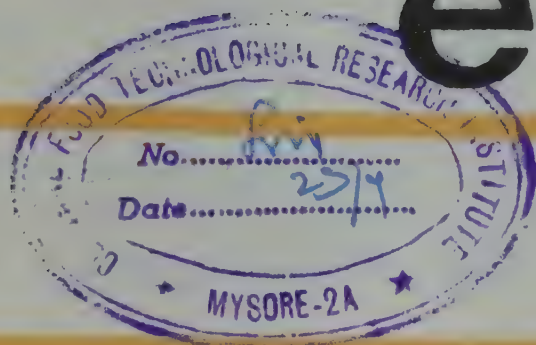
In order to avoid cumbersome procedures and eliminate all possible delays it has been suggested that the jurisdiction of Civil Courts in respect of any settlement regarding scaling down of debts may be barred. However State Government may set up appropriate appellate authority to hear appeals over the orders of officers specially designated for the purpose of scaling down debts. To cut down delays, summary procedures may be adopted by the officers for this purpose.

For the purposes of the proposed legislation it has been suggested that a landless labourer be defined as one who does not hold any agricultural land and whose principal means of livelihood is manual labour on agricultural land; a marginal farmer as a farmer who owns land measuring not more than one hectare of unirrigated

land and who cultivates personally such land and also a farmer who cultivates as a tenant or share cropper land measuring not more than one hectare of unirrigated land; a small farmer may be defined as a farmer who owns land measuring more than one but less than two hectares of unirrigated land and also a farmer who cultivates as a tenant or a sharecropper land measuring more than one but less than two hectares of unirrigated land. A rural artisan may be defined as a person who does not hold any agricultural land and whose principal means of livelihood is production or repair of traditional tools, implements and other articles or things used for agriculture or purposes ancillary thereto and also a person who normally earns his livelihood by practising a craft either by his own labour or by the labour of the members of his family in a rural area. For arriving at the acreage of irrigated land that a farmer may possess, for purposes of inclusion in the definitions, a State Government may apply the relevant conversion formula adopted in its Land Reforms Act.

Considering the relative backwardness of the tribal population even amongst the weaker sections, it has been suggested that the State Government may consider and adopt more liberal norms, say, doubling the holding norms suggested above for non-tribal categories in regard to the land held by the members of Scheduled Tribes.

For the purposes of the proposed legislation, debt will not include certain liabilities such as any rent due in respect of any property let out to a debtor; any liability arising out of breach of trust or any tortious liability; any liability in respect of wages or remuneration due as salary or otherwise for service rendered; any liability in respect of maintenance and any debt due to the Central Government or any State Government, any legal authority, a banking company as defined in Section 5 of the Banking Regulation Act, 1949 and including the State Bank of India, any subsidiary bank as defined in the State Bank of India Act 1959, a corresponding new bank as defined in the Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970, a Cooperative Land Mortgage Bank or other cooperative institution registered under the Cooperative Societies Act, the Agricultural Refinance Corporation or any other financial institution that may be notified by the State Governments. It will also not include any loan which represents the price of goods purchased by such a debtor.



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MARKED IMPROVEMENT IN STC's EXPORT PERFORMANCE

The State Trading Corporation (STC) has achieved a turnover of Rs. 7940 million in 1974-75 against Rs. 4900 million in 1973-74 representing an increase of 62 per cent over the previous year. Exports have more than doubled at Rs. 5580 million accounting for 70 per cent of the Corporation's total turnover.

Trading profits have been contributed mainly by exports—Rs. 148 million against Rs. 27 million from imports; import sales amounting to Rs. 2320 million.

Announcing the STC's financial results for 1974-75 recently, the Chairman of the STC Mr. Vinod Parekh said that exports being the predominant activity of the Corporation, out of an expected overall turnover of Rs. 1,0000 million, an ambitious, target of Rs. 7300

million has been set for 1975-76, as compared with Rs. 2730 million in 1973-74 and Rs. 5580 million in 1974-75.

During 1974-75, STC handled about 17 per cent of India's total exports. The major items of exports were sugar, rice, castor oil, cement, art silk fabrics, leather and footwear and army software. The exports of other products also showed a marked increase. Coffee exports doubled. Export of readymade garments and cotton textiles improved.

Several new items and markets were developed for exports. For the first time nephtha and bitumen were exported to Japan and Indonesia. Exports of construction material, electric equipment, cosmetics, sports goods, assorted departmental store items and chilled meat were further developed. Markets for army software were found in far-flung countries such as Guyana, Finland and Australia. Next year's programme envisages development of exports of items such as silver, silver nitrate and industrial alcohol. The

Corporation has also taken over the export of shellac so as to ensure a fair remuneration to the growers of this product.

On the imports side, sales increased to Rs. 2320 million from Rs. 2060 million in the previous year. With greater availability of stocks in world markets, the Corporation was able to hold sufficient quantities of imported material for ready delivery to industries. Adequate stocks of edible oils were maintained and through regulated releases to the Vanaspati Industry, a downward trend in price of this essential item was achieved. At least three months' stocks of raw materials for life saving Drugs and Pharmaceuticals were also continuously held to offer 'off the shelf' deliveries.

STC's three subsidiaries—Projects and Equipment Corporation, Handicrafts and Handlooms Exports Corporation and Cashew Corporation of India also fared well. Their turnover increased from Rs. 730 million to Rs. 910 million and trading profits from 57 million to 68 million.

INDO-AFGHAN TRADE

A new Trade and Payments Agreement between India and Afghanistan was signed in New Delhi recently. The articles of the Agreement include provision regarding banking arrangement regulating payments between the commercial establishments of the two countries.

The Government of India and Afghanistan concluded a treaty in April 1950, which came into force from March 24, 1952 for facilitating trade and commerce between the two countries. The treaty had a validity of three years from the date of ratification, extendable by two years, after which it "can be terminated any time by either contracting party giving notice to the other party at least six months before the date on which it wishes to terminate the treaty." This treaty still continues to be in force.

Till 1957, there was no formal trade arrangement between the two countries and the trade exchanges were carried out without any import or export control or foreign exchange regulations. The first trade arrangement with Afghanistan was concluded in 1957, which provided for balanced trade subject to a fixed monetary ceiling of Rs. 33.5 million for import of dried and fresh fruits. CCPs (Customs Clearance Permits) for imports were issued to the registered approved importers. Each importer could import as much as he liked within the overall monetary ceiling and the issue of CCPs

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was suspended as soon as the prescribed ceiling was reached. Payment for imports effected by each importer was made by him by exporting Indian goods of equal value to Afghanistan. The exports were made either by the importers themselves or by other Indian parties on their behalf. The preceding trade arrangement with Afghanistan was signed in Delhi on February 20, 1972. It came into force on March 1, 1972 and was valid for a period of three years. The trade arrangement as in the past, provided for import of Afghan fresh and dry fruits to be counter-balanced by export of specified Indian goods.

The new agreement was reached after several sessions of discussions between the two delegations of the two countries which began on August 26 last. The present round of talks was the continuation of an earlier series of Indo-Afghan trade talks which took place in Kabul between July 6 and 11, 1975. The previous Trade Agreement between the two countries expired on February 28 last, but it was extended by six months and since then, both sides have been negotiating different aspects of the next Agreement.

The major decision taken by the two delegations is that the accounts pertaining to the exchange of goods may be maintained by either side in Rupees or Afghanis according to its convenience. On the basis of this Agreement, Da Afghanistan Bank and the State Bank of India will conclude a banking arrangement regulating payments between the commercial establishments of the two countries and if necessary arrange for inclusion of other authorised banks of their respective countries for this purpose.

The new Agreement has laid stress to secure a desirable rate of growth over the present volume of trade and has decided to review the working of the present Agreement at least once a year or as often as may be necessary in India and Afghanistan alternatively and to set out a rate of growth based on the total volume of trade between the two countries during 1974-75 in terms of quantity and value. The value of Indo-Afghan trade bothways in 1974-75 was around Rs. 350 million as compared to Rs. 300 million in 1973-74. According to the existing arrangement, both countries counter-balanced each other's exports.

The Agreement provides that the export of Afghan commodities shall take place by persons authorised by the Afghan Government to those persons in India authorised by the Indian Government. The same arrangement will be made in case of exports of Indian goods to Afghanistan. However, in order to ensure that the benefits of trade accrued to traders of both sides, the two delegations agreed that fifty percent of the volume of trade be carried by Afghan real or legal persons and fifty percent by Indian real or legal persons.

The two delegations also agreed to explore all possibilities for expansion and promotion of trade between the two countries on the basis of mutual advantages, keeping in view the requirements of each other in the context of their developing economies. They have also decided to grant import or export licences in accordance with their respective laws and regulations. The trading in commodities between India and Afghanistan during the period of validity of the present Agreement will be carried out in accordance with the lists of items which shall be agreed upon between the two countries for every calendar year.

At present, India's exports to Afghanistan mainly include tea, spices, medicinal and pharmaceutical products, rubber tyres and other rubber goods, textiles and cotton piecegoods, jute manufactures, footwear, and manufacture of metals. The imports from Afghanistan include fresh fruits, dry fruits, asafoetide, cumin seeds and medicinal herbs. Both sides have, however, agreed to attempt for further diversifying Indo-Afghan trade.

The Agreement also permits imports and exports of goods not included in the agreed annual list of items, in accordance with the laws and regulations in force in either country from time to time. The payments for such trade transactions will be effected in freely convertible currency acceptable to both countries.

The new Agreement points out that the goods exported from India and Afghanistan should be of Indian and Afghan origin and should not be re-exported to third countries. The two delegations have agreed to prevent infringement and circumvention of their

laws, rules and regulations relating to foreign exchanges and foreign trade.

The two delegations agreed to hold trade fairs and exhibitions in each other's country and to ensure greater participation in international trade fairs for the promotion of a better introduction of their respective products. They have also agreed to accord facilities for the display of goods of each country in the prominent exhibition centres of the world.

EXPORT POSSIBILITIES OF FERROUS FORGINGS AND CASTINGS

The Trade Development Authority of India, New Delhi has conducted a detailed market survey on the export possibilities of Ferrous Forgings and Castings in the markets of West Germany and Italy. The extract of the main findings are reproduced below for the information of the member firms of the T.D.A.

The survey has revealed that both Italy and the Federal Republic of Germany have in the past years developed adequate domestic capacity for industrial castings and forgings to satisfy their internal demand as well as for meeting the large requirement of the components based on castings and forgings in the export markets. Of late, in both these countries, as a result of a new trend in these industries to modernize and specialize, the technically and financially weaker units have closed down and those which responded favourably to the trends have expanded their operations. The net result of this situation has been better quality products at cheaper prices delivered in comparatively shorter time. In other words there is no visible problem of procurement in these countries.

Furthermore, the current recession in industrial production has rendered surplus some capacity in both forging and foundry industries, causing further fall in prices and improvement in delivery situation. The automobile industry, which is the single largest consumer of castings and forgings, cut back its production by

about 25 per cent. The present recession has, therefore, upset all the future plans of the industry to expand, the present concern primarily being with maintaining the previous level of production.

Of the two industries surveyed—forgings and castings—grey iron castings are considered more promising items for markets, due to their being more labour-intensive and competitive in price provided other conditions of technical and commercial specifications are satisfactorily complied with.

Between the Federal Republic of Germany and Italy, Germany offers comparatively larger opportunities, the latter being hit by inflation and adverse balance-of-trade position. The situation in Italy, is however expected to improve steadily. In any case both the countries offer only limited opportunities for Indian exporters of castings and forgings.

Industrywise, railways appear to be most potential customer for Indian forgings and castings and hence need more attention of the Indian exporters. Other industries, which offer comparatively better opportunities of export, on account of their consistent growth inspite of general recession, are : diesel engines, power generators, auto-trucks and trailers.

GROWING EXPORTS OF INDIAN MERCHANDISE TO ZAMBIA

Zambia is an important trading partner of India in the African countries and is the third leading importer of Indian merchandise amongst the entire non-Arab African countries yielding precedence only to Kenya and Nigeria. Zambia which was formerly known as Northern Rhodesia became an independent Republic in October 1964. Copper dominates Zambia's economy and through copper exports that country achieves an export surplus. India is among the prominent importers from Zambia.

In keeping with the policy of the Government of Zambia to allow the imports from that market which offers the most competitive rates, a non-discriminatory one-column Tariff is operative whereby all imports

attract the same rate of duty irrespective to the country of origin. The rates of the duty are generally not very high except in the case of 'Luxury' products.

Zambia is a quality market. The biggest consumers in Zambia are the mining companies. Chemicals, a wide range of engineering products, manufactures of iron and steel, machinery, transport equipment, agricultural machinery and implements and consumer goods form the bulk of Zambian imports. Indian exporters of quality products in these ranges stand good chances of establishing their products in the Zambian market on long term basis. They, however, have to compete with products from all over the world not only in quality but also in price.

The exports from India to Zambia have been increasing significantly from year to year. The value of exports to Zambia rose from Rs. 3.82 million in 1973-74 to Rs. 9.43 million in 1974-75 showing an increase of nearly 147 per cent. India's successive participation in the Zambia Trade Fair in 1973, 1974 and 1975 have helped in the expansion and diversification of India's exports.

This year the Trade Fair was held at Ndola from the 3rd July to 8th July. This was Zambia's 11th Trade Fair. Besides India, 8 countries participated in the International sector of the Fair. The Indian pavilion was adjudged as the most attractive pavilion in the International sector in the matter of display and decor, content and quality of the exhibits. The Indian pavilion was awarded the first prize, for the second year running.

As many as 90 firms, booked a total area (covered as well as uncovered) of 702 sq. metres. The products exhibited in the pavilion were largely engineering goods covering electrical machinery, commercial vehicles, automobile components, core drill machines, agricultural machinery and apparatus, pipes and pipe fittings, hand tools, bicycles and parts, sewing and knitting machines, water coolers, household electrical appliances, microscope, hospital appliances and equipment, T.V. sets and cinema projectors.

Also exhibited were chemical goods like industrial chemicals, textile chemicals and pharmaceuticals, tiles, sanitary fittings, rayon, silk and cotton fabrics, ready-made garments, woollen carpets, coir products, household plastic goods, leather cloth, spectacle frames and sports goods.

The Indian pavilion received widespread publicity through the Zambian Press and T.V. President Dr. K.D. Kaunda visited the Indian pavilion on the 4th July and was greatly impressed by the industrial products. Among others, the Zambian Minister of Commerce and the Vice Minister for Commerce also visited the pavilion. Nineteen business representatives representing the various Indian participating firms attended the Fair and negotiated business and answered trade enquiries.

A good number of exhibits including a jeep, a jeep ambulance, truck, 3 mini buses, diesel engines, pumping sets, a lathe, agricultural spraying equipment, wire stitching machine, medical equipment, bicycles, sanitary-ware, tiles etc. worth about Rs. 0.42 million were sold on the spot. In addition, diesel engines, pumping sets and electric motor of a group of companies worth eighty thousand rupees were taken over by their local agents for sale. A Delhi firm made a remarkable breakthrough by selling medical appliances and hospital equipment to the Zambian Government and they expect a substantial order shortly. An order worth Rs. 0.15 million was booked for the supply of diesel engines. An order for the supply of 50 jeeps and another for 20 jeep ambulances were nearing finalisation when the Fair terminated. Besides, 55 trade enquiries for the supply of firm quotations and further details in respect of chemicals, machine tools, pipe fittings, cotton and acrylic yarn, knitwear and fabrics, shoes, hardware and agricultural sprayers etc. were registered in the pavilion. Some of these trade enquiries are expected to result in substantial business.



EXPORTS OF DEFENCE PUBLIC SECTOR UNDERTAKINGS

The Minister for Defence Production, called on the Public Sector Undertakings to judge their performance in terms of real profits. In this context, he impressed upon the Chief Executives recently in a meeting, the need for evolving a quantitative basis for assessment of performance of Defence Public Sector Undertakings in terms of physical production of goods in relation to the human and material resources spent and not merely in terms of money-profits. The profits should be viewed in the overall context of the national requirements. The long term objective of development should never be lost sight of. The Undertakings must also undertake all possible steps to increase their productivity.

The Minister for Defence Production said that the Public Sector Undertakings had made a good beginning in the field of exports. However, there is a great scope to boost up exports in this field and the Undertakings should try and achieve the target of exporting 20 per cent of their production. The need for evolving proper marketing strategy for development of exports was emphasised.

Besides other aspects of effecting speedy and qualitative improvement in the performance of defence public sector undertakings, the Chief Executives of Defence Public Sector Undertakings also considered the perspective plans of various defence public sector undertakings. These plans contain the strategy for growth and development of the undertakings in the next 10 to 15 years and beyond.



INDIA'S PARTICIPATION IN NEW ZEALAND INTERNATIONAL TRADE FAIR

The New Zealand International Trade Fair is a bi-ennial event. It was organised for the first time in 1969 at Auckland. Since then it is being held alternatively at Wellington and Auckland. The New Zealand International Trade Fair was opened on the 20th August, 1975 at Wellington. This is the second time that Fair is being held at Wellington.

India has been participating in this Fair since the beginning. In the 1973 Fair more than 40 Indian firms exhibited their goods ranging from precision lathes to hand knitting machines; textiles of cotton, silk and rayon; drugs and cosmetics. Most of the exhibits valued at Rs. 0.5 million were sold during the Fair.

New Zealand with a population of 3 million has a large external trade of the order of Rs. 36 billion per annum (Imports Rs. 16 billion and exports Rs. 20 billion in 1973). The country follows a very liberal trade policy. Trade between India and New Zealand has been developing at a steady rate. New Zealand offers a large market for various Indian products in the engineering field apart from traditional items such as textiles, jute goods and handicrafts.

Exports of Indian merchandise to New Zealand increased from Rs. 135 million in 1973-74 to Rs. 207 million in 1974-75. The value of imports from New Zealand into India was Rs. 82 million during the year 1973-74. As many as 20 firms displayed their goods in the India pavilion at the New Zealand International Trade Fair this year. The formal inauguration was performed by the Governor General of New Zealand. The first three days of the Fair were reserved for traders only. These three days were marked with hectic business activities. During this period the total sales of the exhibits at India pavilion comprising machine tools, tablet making machines, hand tools, carpets, handicrafts and power transformers amounted to about Rs. 8 million. It is significant that a tender from India for the supply of power transformer was accepted by the purchasing authorities in New Zealand.

During the currency of the Fair, forward business potentials are estimated in the vicinity of additional Rs. 7.5 million. One of the exhibitors, M/s. Karnataka Small Industrial Corporation Limited took this opportunity to negotiate for participation in multi-national projects. The India pavilion which was one of the best in the Fair attracted huge crowd. The Fair ended on the 6th of September, 1975.

UPTREND IN ENGINEERING EXPORTS

The export of engineering goods, an important non-traditional item, has been on the increase. They have continued to show an upward trend. This is demonstrated by the fact that whereas the value of their exports was Rs. 409.50 million during the first quarter (April-June) of the year 1974, it went up to Rs. 830 million in the corresponding period of the current year, thereby recording a rise of over Rs. 420 million. In terms of percentage this increase works out to about 103 percent. In a way the engineering exports have achieved a large portion of the export target of Rs. 4,000 million set for the current year.

Among the engineering goods, there has been a steady increase in the value of contracts secured in civil engineering construction works abroad. The total value of such contracts stood at Rs. 1170 million at the end of July 1975. The largest order valued at Rs. 600 million for the construction of 1710 residential houses in Dubai was bagged by an Indian firm. Likewise a contract worth Rs. 216 million for building 1000 houses in Saudi Arabia was also secured by another Indian firm. The other works relate to construction of terminal building for an international airport and power projects.

It is also heartening to note that Indian firms both in the public and private sectors are participating in the Gulf countries. The Government has already taken measures to ensure that firms taking up works abroad are able to execute them in time. The measures adopted comprise the streamlining of procedures for granting approval wherever necessary, liberal release of foreign exchange, grant of credit facilities etc.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

INCREASE IN COAL PRODUCTION

Coal production in the country during August 1975 was 7.4 million tonnes in spite of the difficulties caused by excessive rains in many areas. During the first five months of the year 1975-76, the total production has been 37.8 million tonnes which is 4 million tonnes more than the coal production during the same period last year. As against the last year's production of 88.35 million tonnes, the target for 1975-76 is 98 million tonnes. It is hoped that during the remaining seven months of the financial year, it will be possible to achieve the annual target.

There has been a substantial improvement in production especially after the proclamation of Emergency and the introduction of the 12-point programme announced by Mr. K.C. Pant, Minister of Energy for improving productivity and efficiency in the coal industry.

With increase in production and improvement in rail transport availability, supply to all priority consumers in the current year increased considerably as compared to 1974-75. With the current increasing trend in production, the coal industry is virtually meeting the entire demand of the country in full. The stocks of coal have increased considerably with all consumers. The Steel Plants, which went down to a level of 3 days stocks during December 1974, have now built up stocks equivalent to 9 days consumption. The coal stocks with the power houses are nearing to a level of 4 weeks consumption at most of the power houses. The average coal stocks with the cement plants have at present reached a level of 26 days consumption. The brick-kilns have also been supplied as much coal as they wanted. In fact during the last month the brick manufacturers cancelled a number of rakes allotted to them.

Special attention has been given to the supply of coal to steel plants. During August 1975, about 1 million tonnes of coal was supplied to steel plants as against 0.99 million tonnes in August 1974, and only 9.8 million tonnes in April 1974. There has been a

steady increase in coal supplies to steel plants after the Railway strike in May 1974. The improved supply has not only been able to meet the requirements of the steel plants in full, but also pushed up the stock considerably from 3 days' consumption in December 1974 to 9 days' consumption on September 1, 1975.

The daily monitoring of coal supply is coordinated by the Coal Controller in consultation with Steel Authority of India and Railways and adequate stocks are maintained at each steel plants. Larger stocks are, however, maintained at the steel plants located farther away from the coalfields. For example, Bokaro and IISCO being located in the heart of the coalfield, priority for coal supply has to be given to Bhilai and Rourkela which are much farther away. It may not be out of place to mention here that recent breach in the railway track en-route Bhilai would have caused a serious problem in the coal stock position at this steel plant, had the coking coal stock there not been built up at a high level as compared to other steel plants which are near the coalfields.

The position regarding supply of coal to steel plants was reviewed at a high-level meeting held by Secretary, Department of Steel and Chairman, SAIL on July 30, 1975. After this meeting, Secretary, Department of Coal has confirmed that the requirements of steel plants for all types of coal would be met in full by Bharat Coking Coal Ltd. and Coal Mines Ltd. The Department of Coal has also assured adequate supply of coking coal to Bokaro Steel Plant for meeting its requirements of second blast furnace.

Steps have been taken to improve the production of coking coal from coal mines and washeries. A Committee consisting of representatives of Ministry of Steel, Railways and Planning Commission and others under the chairmanship of Secretary, Department of Coal was set up to look into the coking coal supply to steel plants during the Fifth and Sixth Five Year Plan periods. The Report of the Committee is expected to be finalised very shortly enunciating the measures required to be taken to meet the growing requirements of coking coal for steel industry.

KHETRI COMPLEX STARTS PRODUCTION OF COPPER WIRE BARS

The Khetri Copper Complex in Rajasthan under Hindustan Copper Ltd., a Government of India Enterprise, has started producing copper wire bars for industrial use.

The Wire Bar Plant, which went into operation a few days back, completes the last phase of production at the copper metal processing plants at Khetri. The plant is producing electrolytic grade copper wire bars of minimum 99.9 per cent purity.

The commissioning of the wire bar plant is the most significant achievement towards self-sufficiency in copper after the formal inauguration of the flash smelter by the Prime Minister in February this year. The Smelter Plant, which was shut down for annual overhaul, has also been recommissioned for production of anodes. These anodes are electrolytically refined to get cathodes which are remelted and cast into wire bars.

Another important breakthrough by the complex is the recent commissioning of the slag treatment plant for processing the slag from the smelter to achieve maximum recovery of the copper metal.

INDO-WEST GERMAN COLLABORATION

West Germany tops the list of new industrial collaborations sanctioned by the Indian Government during the first 6 months of 1975. Thirty three Indo-West German collaborations have been sanctioned during the first half of 1975 as compared to 24 collaborations for the UK, 19 for Switzerland, 18 for the USA, 9 for Japan and 20 for other countries. Out of the 33 collaborations, however, only 7 are with financial participation.

A regionwise break-up reveals that most of the newly sanctioned Indo-West German collaborations go either to the Northern Region (13) or to the Western Region

(11) of India. Five companies are from the Eastern and four from the Southern Regions of India.

MANUFACTURE OF PASSIVE COMPONENTS

A number of schemes for the manufacture of these components have been approved. The present status and the future scope of individual items falling in the category of passive components is given below

The present licensed capacity is 253.5 million nos. The capacity approved in the small scale sector is 30 million nos. Against this, the installed capacity is 225 million nos. In addition a capacity of 442 million nos. is covered by letters of intent, out of which capacity of 66 million nos. is earmarked for exports.

Production of this item during the last two years was as under :

1973-74	141 million nos.
1974-75	218.2 million nos.

The exports of carbon film resistors during 1974 were of the order of 60 million nos.

The assessed demand by 1978-79 is 300 million nos. As the progress of the schemes covered under letters of intent has been slow, there is scope for further licensing for this product. Foreign collaboration linked with exports can be considered on merit.

PRODUCTION OF CERAMIC CAPACITORS

The present licensed and installed capacities are 97 million nos. and 62 million nos. respectively. The capacity approved in the small scale sector is 44 million nos.

Production during the last two years was as under :

1973	46.7 million nos.
1974	61.7 million nos.

The assessed demand for this item by the year 1978-79 is 200 millions nos. Taking demand into account, the progress of the approved schemes there is scope for setting up a few additional units in this area on the basis of large volume production, namely of the order of 50 million nos.

Foreign collaboration can be considered on merits for substantial exports and for manufacture of specialised types of capacitors.

PRODUCTION OF CARBON TRACK POTENTIOMETERS

The present licensed and installed capacities are 9.4 million nos. and 6 million nos. respectively. In addition a capacity of 10 million nos. has been approved in the small scale sector. Letters of intent have been issued for an additional capacity of 16 million nos.

Production during the last two years was as under:

1973-74	4.4 million nos.
1974-75	5.0 million nos.

The demand for this item is estimated to be 16 million nos. by 1978-79. There is scope for further licensing for this item on a selective basis, specially for professional types.

BIG DEMAND FOR TRIMMERS

The present licensed capacity in the organised sector is 24.2 million nos. The capacity approved in the small scale sector is 1.05 million nos. In addition, a capacity of 52 million nos. is covered by letters of intent.

Production during the last two years was as under:

1973	6.4 million nos.
1974	7.9 million nos.

The demand for this item is estimated to be 33 million nos. by the year 1978-79. There is scope for

further licensing for the manufacture of professional grade trimmers, which are being imported at present.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

DEVELOPMENT OF AN ELECTRONICS KIT

An electronics kit, consisting of a programmed practical book, 100 array matrix board and a set of plug-in-modular components, has been developed by the Central Scientific Instrument Organisation (CSIO) Chandigarh. Various applications of linear and digital integrated circuits in different fields of instrumentation data communication, computer, industry control, etc. can be demonstrated with the help of the kit.

The programmed practical book, in two volumes, has been prepared for electronics engineering students. It contains 2 experiments on linear and digital circuits and 10 experiments on the advanced application of these circuits. To start an experiment, the transparent matrix board, made of Perspex is placed on the programmed sheets and the components are plugged into various module basis. The experiments are so designed that each experiment forms an independent building block of a system. They facilitate explanation of how the individual integrated circuit and component functions in a circuit without loss of time on such jobs as soldering, clamping and screwing parts, shaping and stripping wires. The devices and components being modular in construction, the amount of information imparted in a given time and the degree of assimilation are higher than in the case of conventional devices.



MANUFACTURE OF SHIFT CONVERTER

Bharat Heavy Plate and Vessels, a Government of India Undertaking has manufactured a special type and oversized dimensional equipment "shift converter" for the first time in India, for the world's largest coal-based fertilizer units of the Fertilizer Corporation of India at Talcher and Ramagundam.

The shift converter is a huge cylindrical column of 4100 mm diameter with an overall height of 18.600 mm at different elevations and weighing 120 tonnes. This equipment, fabricated mainly with boiler quality, steel material and stainless steel lining, plays a crucial role in the ammonia manufacturing cycle of a fertiliser unit for converting carbon monoxide to carbon dioxide by shift conversion process. The converter, manufactured to exacting process requirements and stringent quality control regulations, has a number of complicated internals such as deflection baffles, trays, demisters etc.

AIR-BORNE SURVEYS FOR MINERALS

The National Geophysical Research Institute (NGRI), Hyderabad, has developed an instrumentation system required for air-borne Surveys in mineral exploration so that India need not depend on foreign collaboration in future. The system is called the 'electromagnetic instrumentation system'. The instrument used for geophysical survey has been test flown and the Geological Survey of India would in future take the assistance of NGRI for air-borne surveys instead of seeking foreign collaboration. This would help India save considerable foreign exchange.

INDIAN CONSULTANCY SERVICES POPULAR ABROAD

During the course of its industrialisation over the past three decades, India has produced a good number of technical consultants, who have helped in designing and construction of the various projects. The skills

acquired by these consultants can be useful in tackling similar problems of the developing nations of Asia, Africa and Latin America. There are many fields in which Indian professional competence has reached internationally acceptable levels.

The Government of India has been providing liberal concessions and incentives to the Indian consultancy organisations to enable them to secure business abroad in competition with the well-established consultants from the advanced and developed countries. Two major incentives are : (i) grant of exemption from income-tax on profits earned abroad by the Indian consultants ; and (ii) grant of financial assistance from Market Development Fund (MDF) for soliciting business abroad.

The Income-tax Act (Section 80-C) provides for full exemption from income-tax for any income earned by way of fees received in consideration or technical services rendered or agreed to be rendered outside India to any foreign Government or enterprise by an Indian company. MDF assistance is granted to the Indian consultancy organisations engaged in providing consultancy services abroad. To be eligible to a grant from the MDF, the Indian consultancy organisation will have to get itself registered with the Federation of Indian Export Organisations (FIEO) New Delhi. Normally, the consultancy organisation should have a minimum annual turnover of Rs. 1 million, with a minimum foreign exchange earning of Rs. 0.2 million per annum.

The procedure for release of foreign exchange and grant of permit has now been liberalised with a view to encouraging export of Indian consultancy/design engineering services. Indian consultancy/design engineering organisations/firms of repute can now avail themselves of blanket foreign exchange permit facilities for travel abroad by their representatives provided, inter alia, their foreign exchange earnings in the previous year are not less than Rs. 0.5 million. The Exchange Control Department of the Reserve Bank is already considering applications from Indian consultancy/design engineering firms for release of foreign exchange for promotional/

exploratory travel abroad, and for specific contracts/orders with overseas parties for supply of consultancy/technical services and for turnkey projects.

The competence of Indian consultants has been well-recognised abroad. Indian consultants have already been working in countries as far apart as Libya, Ethiopia, Egypt, Tanzania, Iran, Greece, Syria, Iraq, Nepal, Sri Lanka, Burma, Singapore, Malaysia, Indonesia, Philippines and Cuba. Where necessary, Indian consultants are prepared to start joint consultancy ventures abroad with local technical participation. Such requests have already been received, among others, from Nigeria, Kuwait, Peru, Iraq, Arab Republic of Egypt, Iran and Malaysia. One of the strongest points in favour of the Indian consultancy services is that Indian consultants offer technical and technological services and do not act as a Trojan Horse for the sale of Indian equipment and projects abroad.

A number of reputed organisations are, at present, engaged in rendering consultancy services abroad. In this connection, mention may be made of MECON, RITES, NIDC, EPI, TCE etc.

Metallurgical and Engineering Consultants India Ltd. (MECON), public sector unit have prepared a feasibility report for setting up a sponge iron steel plant complex at Dubai in the United Arab Emirates as also in Bangla Desh and a coke oven plant in Hungary.

Rail India Technical and Economic Services Ltd. (RITES), a consultancy organisation set up by the Indian Railways, have been negotiating business with some of the West Asian and African countries. It has already entered into an agreement with Iran for undertaking a techno-economic survey for a railway line and is negotiating an agreement to provide consultancy services for a railway line in Iraq. It is also undertaking consultancy work for 3 railway lines in Syria and Libya.

National Industrial Development Corporation (NIDC) have entered into a contract to provide consultancy services to Tanzania in the construction of the new Tanzanian capital at Dodoma, and assist in the

acquisition of construction equipment and machinery for the purpose. It has also provided consultancy services for a number of projects in Iran, Libya, Kenya, Sri Lanka and Nepal.

Engineering Projects India Ltd. (EPI), which is a consortium of 7 leading companies, has prepared feasibility report for setting up a rubber product plant in Sri Lanka, a paper plant in Somalia, a mini steel plant in Guyana and a coke-oven project in Yugoslavia.

Tata Consulting Engineers (TCE) are currently consultants for a 230 kv transmission line project in Thailand and a transmission line project in Mindano, Philippines as also for the operational management of thermal stations and their main transmission lines in Iran.

Development Consultants Private Ltd., a consultancy firm of Calcutta are helping in the setting up of four dry-process plants in Syria for making cement, a multi-million dollar sponge iron project in Egypt, and in

providing expertise for increasing the Venezuelan steel production capacity from 1 million tonnes a year to 5 million tonnes.

M.N. Dastur and Company of Calcutta have currently in hand assignment for a project report and engineering specifications for an alloy and special steel plant in Egypt; a small integrated steel plant in Nepal; an electric arc furnace/continuous casting bar rod mill plant in Indonesia as also a forge project, foundry project and a combined forge-cum-foundry project in Libya.

A number of Indian construction companies, both in the public and private sectors, are making determined efforts to secure civil engineering construction contracts abroad, especially in the Persian Gulf countries. Works in which India is seeking involvement relate to construction of airports, dock yards, housing complexes, roads, multi-storeyed car parks and power and irrigation project.

economic and commercial news

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SIZABLE EXPORTS OF HAND TOOLS

M/s. Hindustan Everest Tools Ltd., a client of Trade Development Authority, have scaled new heights in the export field, by their notable export performance. During 1974-75, their exports totalled Rs. 9.1 million. The firm is truly export-oriented, which is borne out by the fact that 70 per cent of their production is exported to over 40 countries all round the globe. Their achievement can also be gauged from the fact that despite stiff competition especially in the spheres of price and quality, from countries such as Taiwan, Spain, Korea, Red China and Turkey, their products have been found acceptable and equal to the best in the world. The firm is well-known in the export field and has been awarded the Certificate of Merit by the Government of India for their outstanding performance in 1971-72.

One of the main reasons for the firm's great export success is their policy of research and development which is oriented towards product adaptation and development to suit the export market.

Lately, they have developed a range of new products, especially of heavy-duty nature, such as bolt clippers, diagonal wire cutters, heavy-duty pipe wrenches, pullers, chain pipe wrenches and vice grip pliers. The firm's Research and Development Cell, which is recognised by the Government of India is continuously engaged in developing new products and improving the existing range.

Their new range of products, which had hitherto been imported, has not only contributed considerably in import substitution, but has also earned valuable foreign exchange by penetrating the developed markets. These products manufactured under stringent tests have been found suitable both in the domestic market and overseas markets.

NEW EXPORT PROMOTION MEASURES

A package of export promotion measures are now being adopted by the Government to increase the country's foreign exchange earnings and to meet the present difficult situation in respect of balance of payments. Certain schemes like simplification of export procedures, payment of duty drawbacks through commercial banks, exemption from duty on materials imported against advance licences subject to export obligation liberalisation of export financing and abolition of export duty on certain items have already been put into operation. Other measures like the comprehensive scheme of cash compensatory support for exporters is likely to be finalised soon. This was revealed recently by Prof. D. P. Chattopadhyaya, Union Commerce Minister, while addressing the meeting of the Consultative Committee attached to his Ministry.

The Commerce Minister said that the present balance of payment crisis was the recoil effect of world inflation and pointed out that although India derived higher prices for most of the export commodities, the inflated prices of these products could not match the rise in the value of imports specially of food, fuel and fertilizers. He, however, informed the Committee that the import of fertilizers had recently been reduced considerably and special steps had been taken to control the import of petroleum products by partial switching over to coal. These steps coupled with measures adopted to boost exports were expected to reduce the balance of payment problem to some extent.

The Commerce Minister also said that India's export earnings had gone up by over 100 percent during the last three years. During the first three months of the current financial year, there was a rise of 22 percent over the corresponding period of last year.

The Commerce Minister identified certain growth points like engineering goods, sugar and finished leather in the export spectrum. He pointed out that although the international prices of sugar had come down from the all-time dizzy heights of last year, it nevertheless continued to be a major foreign exchange earner and also had a bright future.

Regarding the question of abolition of export licensing on certain items, the Commerce Minister remarked that a decision to simplify the export procedure and abolish export licensing on certain items was the result of long planning and scrutiny and was not an ad-hoc announcement. Regarding the question of import substitution it was pointed out that the review of the scheme was a continuous process and the Government periodically removed certain items from the import list and restricted the import of certain others.

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Regarding the new export promotion measures, the Minister said that the Ministry had already identified 20 projects involving items for which raw materials were readily available in the country. One such project was concerned with the export of mango kernels which were normally thrown away but could be converted to mango kernel cakes and oils with high export potential. He added that more and more such projects would be taken up in near future.

As regards the jute industry, the Commerce Minister pointed out that it was largely dependent on exports and the Government was taking whatever measures it could, such as the abolition of export duties on carpet backing and hessian to improve its performance.

The Commerce Minister informed that packet tea exports had gone up by nearly 100 percent in the recent past and the Tea Trading Corporation of India (TTCI) had entered the packet tea market in a big way. Substantial export orders of this item had recently been received from Poland and Afghanistan. The TTCI was also purchasing machines for packeting of tea. India had exceeded the total export quota of 270 million kilograms of tea last year and it was hoped that the performance would be still better next year.

So far as tobacco exports were concerned, the Deputy Commerce Minister, Mr. Vishwanath Pratap Singh pointed out that the position was comfortable in recent months. A decision regarding the formation of Tobacco Board would be taken after receiving the suggestions from the State Governments, he added.

Regarding exports of marine products, the Deputy Commerce Minister said that after a period of decline last year, the export position had now looked up. During April-June 1975, exports of marine products amounted to Rs. 228.6 million as compared to Rs. 181.7 million in the same period last year. The outlook for the remaining part of the year appears to be quite favourable as both USA and Japan were coming out of the period of recession.

SIMPLIFICATION OF APPLICATION FORMS FOR EXPORTERS AND IMPORTERS

While addressing the first meeting of the re-constituted Zonal Export-Import Advisory Committee recently, the Foreign Secretary, Dr. P.C. Alexander said that in the process of streamlining the procedure for imports and exports, a Committee headed by Chief Controller of Imports & Exports, has been set up to simplify the forms to be filled in by the manufacturers and exporters. The Committee has already taken steps to save the business community from the laborious process of filling up too many forms for export and import purposes.

He further said that the import applications received in the office of the CCI & E were disposed of within 30 days. During the last two months as many as 560 out of 976 applications received were disposed of, which was an encouraging progress.

Dr. Alexander said that a major procedural innovation had been introduced in the import policy for 1975-76 for licensing of imported raw materials and components. The immediate requirements of imported inputs of the industries would be met by 'Automatic licensing' by cutting out the procedure of receiving applications through Directorate General of Technical Development and other sponsoring authorities. According to the policy, all industries registered with the DGTD were eligible to apply for 'Automatic Licences' direct to the CCI & E headquarters. He further added that the rates of fee for import licences had also been reduced.

The Chief Controller of Imports & Exports informed that necessary rules were being drafted regarding import of goods against advance licences and payment of drawbacks through commercial banks and they would be announced soon. Referring to ban on the import of certain items, he informed that the Government did not take recourse to ban unless it was satisfied that the production of that item was substantial. Where production had not stabilised, only a restriction was put on it. There was a Committee, which goes into the question of banning or restricting import of a particular item thoroughly, he added.

On providing more space and extending subsidy to certain other export oriented goods in air cargo, it was pointed out that a continuous review was done by the Tirumalai Committee and any fresh suggestions could be sent to it.

Difficulties of exporters, who are outside Delhi, specially in booking and air-freighting the cargo, were also given attention.

CASHEW EXPORTS REGISTER INCREASE

Export of cashew kernels from India in the first half of 1975 registered an increase both in quantity and value. During the period export amounted to 26,490 million tonnes valued at Rs. 484 million in comparison with 24,379 million tonnes valued at Rs. 438.5 million during the same period last year. The average unit price also showed an increase from Rs. 17.99 per kg. in January-June 1974 to Rs. 18.27 per kg. in the current year.

U.S.S.R. with 16,825 million tonnes (63.5 percent) was the principal importer, followed by U.S.A. with 3876 m.t. (14.6 percent), Japan with 1721 m.t. (6.5 percent) and Australia with 1017 m.t. (3.8 percent).

In the first quarter of the current financial year, viz. April-June 1975, however, export amounted to 12,472 m.t. valued at Rs. 236.7 million.

Export of cashewnut shell liquid in the first half of 1975 stood at 1,946 m.t. valued at Rs. 5.56 million showing an increase over the 1974 export of 1,809 m.t. valued at Rs. 3.70 million.

Export in the first quarter of the financial year April to June 1975, amounted to 1,118 m.t. valued at Rs. 2.94 million compared to 1398 m.t. valued at Rs. 2.92 million last year.

BIG RISE IN EXPORT OF SPICES

Export of spices during 1974-75 outstripped the record achieved during the preceding year. The exports attained a new high at Rs. 609 million as compared to Rs. 551 million in 1973-74.

Pepper constituted the principal item of exports during the year which brought in foreign exchange worth Rs. 345 million as against Rs. 295.3 million in 1973-74. USSR, USA, Poland, Czechoslovakia, Canada, Rumania, Hungary and Italy were the important consuming countries.

Cardamom, the next active item in the export, earned Rs. 130 million during the year as against Rs. 115.5 million in 1973-74. Saudi Arabia, Kuwait and USSR were the principal buyers.

Export of turmeric also looked up during the year at Rs. 43.4 million compared to Rs. 36.5 million. These were mainly directed to Iran, USA, Libya and Singapore.

Export earnings from ginger also registered an increase at Rs. 35 million from Rs. 25.6 million in the preceding year. Saudi Arabia, USA and Morocco were the significant importers.

Besides the above items, curry powder exports increased to Rs. 9.7 million from Rs. 7.4 million in 1973-74 while cassia contributed Rs. 7.9 million as against Rs. 7 million. UK and Australia were the main consumers of the former, while USSR and USA were the important buyers of the latter item.

There was also an uptrend in exports of spices oils and oleoresins. Exports of oils and oleoresins of spices during 1974-75 went up to Rs. 4.4 million from Rs. 2.12 million in 1973-74. U.S.A., Japan, West Germany, Austria, U.K., Canada, Australia, and Tanzania were the principal importing countries.

EXPORT PERFORMANCE OF INDIAN TELEPHONE INDUSTRIES

The Indian Telephone Industries Ltd., Bangalore, a public sector undertaking, is exporting quite a handsome portion of its production and is thus helping in the earning of foreign exchange necessary for the industrialisation of the country. During the preceding financial year, its exports amounted to Rs. 10.49 million(f.o.b.). The target of export for the financial year 1975-76 has been fixed at Rs. 12.00 million. It has already achieved nearly one-fourth of the target as the value of exports during the first quarter (April-June) of the current year totalled about Rs. 3 million.

The main items of exports include telephones, telephone exchange equipment, telephone exchange spares, extension equipment, equipment for line cross-bar exchange, switches, final selectors, wiper cord assembly and vertical armature assembly, relay sets etc. These items are exported to a number of countries such as Kenya, Australia, Nepal, Jordan, Tanzania, Uganda, Sri Lanka, Bhutan, etc.

INDIA BAGS A LARGE RAILWAY CONTRACT FROM IRAQ

M/s. Tata Exports Ltd., a leading export house in India, has bagged a railway contract in Iraq valued at Rs. 21.6 million for the supply of railway points and crossings and other accessories. This contract has been secured against global competition. This is the first time that India has been able to secure a large contract for sophisticated railway equipment in Iraq. These railway points and crossings as well as other accessories will be manufactured by M/s. Hindustan Development Corporation, a leading manufacturer of these items in India.

M/s. Tata Exports Ltd., are currently, executing large contracts with the Railways in Burma, Bangladesh, Sudan and Sri Lanka. Over the years, they have established themselves as a reputed supplier from India for nearly 15 Railways in the world.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

SQUIRREL CAGE INDUCTION MOTORS

Specially designed motors manufactured at the Bhopal Unit of Bharat Heavy Electricals Limited will help lift canal water to irrigate the drought-stricken area of Mahendergarh and Bhiwani districts in Haryana.

These motors, valued at approximately Rs. 7 million will drive pumps to lift about 3000 cusecs of water under Pandit Jawaharlal Nehru Lift Irrigation Scheme of Haryana Government. The scheme envisages installation of about 200 pump sets in 5 stages.

For this scheme, BHEL-Bhopal will supply 3.3 KV vertical squirrel cage induction motors of ratings varying from 245 KW to 490 KW to Haryana State Minor Irrigation (Tube Well) Corporation. These motors will be coupled to the pumps to be installed in the first stage.

WIDE RANGE OF BHEL'S PRODUCTS

BHEL'S range of manufacture today covers the entire spectrum. It produces almost all the power generating equipment in the country. BHEL also manufactures large power transformers and high voltage switchgears for transmission and distribution of power. It produces a very large range of utilisation equipment like rectifiers, capacitors and motors for industrial and traction application. Since its inception, BHEL has produced equipment worth Rs. ten thousand million which otherwise would have been imported involving drainage of a substantial amount of foreign exchange.

For the current financial year, the Bhopal factory had planned to produce equipment worth Rs. 1,070 million. In deference to the Prime Minister's call for stepping up production BHEL have increased this target by 10 percent and is confident of not only reaching the revised target but also exceeding it slightly.

STEPS FOR INCREASED POWER GENERATION

The total energy generated from the thermal stations increased from 38,230 million kwh in 1973-74 to 42,865 million kwh in 1974-75, an increase of about 12 per cent. Of this increase, about 3,500 million kwh came from improvement in the performance of existing thermal stations.

A Monitoring Cell in the Central Electricity Authority in Delhi is keeping a close watch on the performance of power stations in the country and keeping a day to day record to initiate timely measures for rectifying any shortcomings. The State Electricity Boards have been asked to consider the setting up of monitoring agencies. A number of measures have already been taken to improve the performance of thermal stations and maximise energy production and availability, including supply of quality coal, modern and improved maintenance procedures, arranging timely availability of spare parts and promotion of an integrated operation of power systems.

Well connected power systems now exist in most of the States and inter-State links in almost all the regions. The development of regional grids has reached a stage where some benefits are being derived from integrated operation of systems. Regional Load Dispatching Stations are being established for achieving the integrated operation of regional grids. These stations would coordinate the working of the State Load Dispatching Stations in the region and would be equipped with modern devices. Inter-State links are being further strengthened as Centrally sponsored schemes to derive larger benefits of integrated operation and enable inter-State and inter-Regional exchanges of power.

In the context of the rapidly growing power systems and the complexities involved in planning, design, construction and operation of power projects, steps are being taken to re-structure and re-organise the Electricity Supply Industry at the Central and State levels with a view to meeting present day and future requirements. The Central Electricity Authority has been

constituted as a full-time Body with much wider responsibilities. The Electricity Boards are being professionalised and higher levels of specialisation is being introduced. This would strengthen the Boards and enable them to handle, on a functional basis, all the important aspects of work.

Two Central Power Corporations would be incorporated shortly under the Companies Act, 1956. One Corporation will be responsible for the construction, execution and maintenance of Central Hydro-electric projects, and the other for Central Thermal Projects. The authorised capital of the National Thermal Power Corporation would be Rs. 1,250 million and of the National Hydro Electric Power Corporation Rs. 2,000 million.

The on-going Hydro-electric Projects in the Central Sector are Baira-Siul in Himachal Pradesh, Salal in Jammu & Kashmir and Loktak in Manipur. The Badarpur Thermal Power Project is also in the Central sector. The schemes included in the Central sector in the Fifth Plan are the Kishtwar Hydro-electric Project in Jammu & Kashmir and the Farakka Thermal Project in West Bengal.

The Centre intends to set up superthermal stations at pit-heads. These stations would yield benefits in the Sixth Plan. The World Bank has been approached for loans to finance four of these projects. To start with, the execution of the superthermal stations is proposed to be entrusted to the Central Corporation dealing with thermal projects. In due course as the work increases, it may, perhaps, be necessary to create more Companies for the execution, operation and maintenance of Super Thermal Stations.



IMPROVING THE PERFORMANCE OF HANDICRAFT SECTOR

While addressing the 4th meeting of the All India Handicrafts Board, Prof. D.P. Chattopadhyaya, Union Minister of Commerce disclosed that a scheme for massive training programme in carpet weaving, is expected to be approved soon. He also disclosed that another scheme for starting 30 centres for the training of carpet weavers is under active consideration. He stressed that the Board should take up organised training programme in other selected crafts also, for which demand was on the increase. The State Handicrafts Corporations, emporia and cooperatives could also lend a helping hand in this, he added.

In her welcome speech, the Board Chairman, informed that the new training centres were planned to be set up in the rural areas of Badohi and Mirjapur in Uttar Pradesh and in the rural areas of Kashmir. These centres were expected to train 1500 carpet weavers, and agencies had already been identified which would absorb the trained weavers. The Board had already submitted to the Government a scheme for the establishment of an All-India Institute of Carpet Technology.

The Board was informed that a new dispensation of giving incentives to handicraft exports was under the consideration of the Government and the scheme was likely to be announced soon.

The Commerce Minister expressed the satisfaction at the progress in the production and exports of handicrafts during the past few years. In the Fourth Plan, against a target of Rs. 1000 million, exports were a little over Rs. 1800 million and in 1974-75, exports to the tune of Rs. 1900 million were effected. He emphasised the necessity of achieving the target of exports of Rs. 2500 to 3000 million per annum by the end of the Fifth Five Year Plan. The Commerce Minister said that one way of improving the lot of the craftsmen and of products of the handicrafts sector, was to lay stress on the quality aspect on a continuous basis. The crafts should not only be attractive and durable but should faithfully reflect the aesthetic traditions which they depicted.

The Board Chairman informed that a large number of Rural Market Service Extension Centres were being set up. She said that a scheme for the Research and Documentation of Crafts was proposed by the Board for identifying products which gave employment with a minimum input of scarce raw materials. This scheme was linked to the increased activity of the Crafts Museum. During the coming year, a beginning is expected to be made for laying the foundation of the new building for the Crafts Museum which was proposed at Pragati Maidan.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

TECHNICAL KNOW-HOW FOR PAINT STRIPPER AND WHITE PEPPER

National Research Development Corporation of India offers technical know-how for manufacturing a paint stripper for effectively removing old paints before repainting.

Old paints are generally required to be removed before repainting. The conventional methods of removing old paints are use of organic solvent or by mechanical means such as hard cleaning, flame cleaning and blast cleaning, particularly in the case of steel structures. In addition a jelly for removing old paints had also been developed. But this jelly had limited application in that it could remove enamel or rubber paints and formulations based on bitumen. Keeping in view the limitations of the jelly and the drawback of the conventional methods, a paint stripper has been developed by Central Electric Chemical Research Institute, Karaikudi.

The paint stripper has a number of advantages. It does not run off the surface on application; the active substance remains in contact with painted surface for the required period to remove the old paint; evaporation loss is less than that of the commercial paint remover and it leaves no wax residue on washing.

The raw materials used for the production of paint stripper are methylene dichloride, sodium lauryl sulphate and ethyl cellulose. The equipment required for the production of paint stripper is indigenously available. The total investment required for the production of 150 thousand litres of the stripper per annum is about Rs. 0.3 million.

NRDC of India also offers technical know how for the manufacture of white pepper. White pepper has a considerable demand in Europe and U.S.A. Whereas India is exporting large quantities of black pepper, the white pepper is being supplied by Indonesia and Malaysia. In these countries the skin of pepper is removed by traditional method of soaking in water.

A process for making whole white pepper has been developed by Central Food Technological Research Institute, Mysore. In this process fully matured green pepper free from stems, pinheads etc. is boiled in water to inactivate the enzymes responsible for the blackening of the skin. After cooling, the pepper corns are chemically treated to bleach the residual green colour left in the skin. Thereafter it is worked to free the chemical and dried under the sun, reducing the moisture content to about 10 per cent.

The capital investment on a plant capable of treating one tonne of green pepper per day is estimated at Rs. 0.27 million. The cost of production of white pepper as estimated by the CFTRI comes to about Rs. 9.0 per kg.

FUSE WIRE TEST EQUIPMENT

Determination of non-ignitable and self-extinguishing properties of solid electrical insulating materials is of great importance for selecting proper insulating materials for electrical equipment where fire hazard is anticipated due to normal operating conditions of the equipment. These materials are tested against IS 248-1967 where in 'Fuse Wire test' is one of the tests prescribed. An equipment to carry out this test has been recently developed by M/s. Bharat Heavy Electricals Limited.

In this test, a 21 SWG copper wire is fused in a standard clamp when sandwiched between two pieces of the material under test. AC Voltage of 500 V peak is to be applied instantaneously after the fuse is blown across the terminals and the current is noted to check if the surface is rendered conductive. The Indian Standard has described an electrical circuit for carrying out this test in which a special transformer is required whose secondary winding carries a current of 100 Amps while fusing the wire. This requirement necessitates a large sized transformers weighing about 100 Kg. and costing approximately ten thousand rupees.

BHEL have developed a new circuit incorporating a high current thyristor, a small mumetal ring core and a small transformer making the equipment small and portable besides reducing the cost considerably. This equipment is now being used for testing arc resisting materials.

DIESEL-ELECTRIC SHUNTING LOCOS

Indian Railway's most powerful diesel electric shunting locomotive type WDS6 has been commissioned recently. DLW, Varanasi manufactured this locomotive with indigenous equipment. Equipment selection and complete control scheme for these locos was done jointly by M/s. Bharat Heavy Electricals limited, Bhopal and RDSO, Lucknow. An order for 10 sets of complete electrics for such locos was received from DLW and supplies are under execution.

This loco is powered by an 'ALCO' type 251D diesel engine, and is capable of meeting the needs of steel plant movements, and shunting operations in busy marshalling yards. Furthermore, a 'hump control' feature in future locos, would be incorporated to cater to the crawling speed (1-6 km/h) requirement in hump yards.

THE NEW IMAGE OF NATIONAL ECONOMY

With the proclamation of Emergency on June 26, 1975, India entered into a new era of economic and social progress. Its ingredients were clearly and concretely stated by the Prime Minister, Smt. Indira Gandhi, in her broadcast to the Nation on July 1, calling for all round determined action for steady rate of growth and progress.

Quick on the heels of the Emergency, the Planning Commission has released the details of Annual Plan for 1975-76. The total plan outlay during 1975-76 is of the order of Rs. 58,780 million that is, 23 per cent more than for the previous year. In real terms with prices being lower it could as well be reckoned at a higher figure. The philosophy underlying the formulation of the annual Plan is of promoting growth with stability. In operational terms, investment allocations have been heavily weighted in favour of sectors which are critical for maximising growth potential of the economy.

More specifically, the sectors which have received special attention are agriculture including irrigation, power, coal, oil and fertilisers. Top priority has been given to projects capable of yielding results in the short run. Full provision has been made for projects which can fructify in the course of next two years. Resource mobilisation is essentially proposed to be made through non-inflationary measures and a greater reliance is being placed in domestic budgetary resources. External assistance is expected to provide a little over 10 per cent of the total resources, and the oil credits another 4 percent. Deficit financing is resorted to meet only 4 per cent of total proposed Plan outlay.

Agricultural strategy consists of a larger use of crucial inputs like fertilisers, high-yielding variety of seeds, pesticides and manures and increase in irrigated and multicropped areas. Power development programme envisages a commissionable additional generation capacity of 2.60 million KW which will raise the total power capacity to 22.77 million KW at the end of 1975-76. With all these steps, a target of 114 million tonnes

for foodgrains has been fixed for 1975-76. Alongside all these plans to boost agriculture and industrial production, plan investment for the benefit of the weaker sections of the community and the backward areas has been stepped up.

The above is financial investment accounting which does not make a direct impact on the public mind as do the physical figures. To take only a few selected items, the proposed target of foodgrain production of 114 million tonnes for 1975-76 is to be contrasted with anticipated achievement of 104 million tonnes for 1974-75 and the actuals of 97.0 million tonnes for 1973-74. To attain a comfortable position, the need is to raise foodgrain production to 120 million tonnes. The steel ingots production is targetted at 7.7 million tonnes against the estimated level of 6.3 million tonnes for 1974-75 and almost the same production reached in 1973-74.

Apart from the finalisation and publication of the Annual Plan, among the many developments that are taking place in all sphere of economic, social and Governmental activity, three broad results of Emergency are very distinctly noticeable. Firstly, inflation has been chocked in a very firm way. It is not that the rate of increase of prices has slowed but the level of prices has fallen as compared to the levels prevailing before the proclamation of Emergency and that of last year's corresponding point of time. The official wholesale price index, as revealed by the Finance Minister, is falling and the rate of inflation was actually minus 2.1 per cent in July 1975 after the Emergency. The fall is noticed in all commodity groups, the heaviest being in the raw materials. As pointed out in Parliament by the Finance Minister in many of the developed and developing countries, near and far from India, inflation was running between 10 per cent and 372 per cent in April, 1975, whereas at that time the rate of price rise in India was 6.5 per cent. International comparison apart, the prices of foodgrains and commodities of mass consumption were down by 20 per cent during the short period of five weeks ending July 20, 1975. In the case of half a dozen articles of common

use, there has been a marginal increase while there has been no change in an equal number of cases.

Secondly, capital markets have shown a big upswing in the prices of entire lot of important scripts. The bears are rushing to cover their short position and the capital issue proposals or initial and further issues which had received sanctions from the Controller of Capital Issues—and were resting in shelves—are now being dressed up for actual floatation in the markets. Earlier, during the period preceding the Emergency, both the institutional and professional underwriters had become terribly shy to touch a capital issue proposal. In fact many such proposals remained unpursued by the parties with the IDBI and other public financial institutions. The enlivening up of the capital market is reflected in the impressive gain of 10.9 per cent in the share price index of the *Financial Express* during the period June 20, 1975 and August 5, 1975 and that of 13.4 per cent at the latter date in comparison with the lowest of the current year. While the Government policies and incentives have been at work to arrest inflation and to stimulate investment climate, the overwhelming influence in bettering the position in the above two respects is that of the firm announcement made by the Prime Minister as also the actions initiated by her after the announcement of the Emergency.

The third welcome development is that administration, both at the Central and the State levels, has become more alert and earnest in regard to giving time-limits to various programmes and in setting before themselves higher targets which earlier used to be prescribed rather easily. The targets of production of steel, coal and other strategic materials of generation of power, etc., have been set high for the current year. The lack of co-ordination between such authorities—Department of Mines, Railway Board and the Power generation units—is being removed. Similarly, smoother transfer of inputs to agriculture is being planned. According to earlier expectations, industrial production in the current year was to increase by about 5 to 6 per cent. As a result of the Prime Minister's intervention and Nature's gift of a good rainfall, one need not be surprised if it turned out to be around 10 per cent.

All these developments give a new welcome turn to the country's economy. The growth is now fully assured and as the Finance Minister said very recently "Growth to be meaningful must be matched by adequate emphasis on social justice. The emphasis on the enlargement of public distribution system is part of a permanent strategy to meet progressively the minimum needs of the more vulnerable sections of society. Steps are being taken to strengthen consumer cooperatives throughout the country for distribution of essential commodities. Manufacturers have agreed to earmark initially upto 20 per cent of their production in respect of vanaspati, soap, torch cells, razor blades and safety matches for distribution through consumer cooperatives. Hereafter nearly 75 per cent of the outlets for distribution of controlled cloth will be located in rural areas.

To conclude, Emergency has brought out an all round realisation of responsibilities in the country by all sections of the people and in all regions. It has sought to give a new direction and meaning to the freedom of the people acting individually and in groups. Now the cardinal task of those charged with planning for economic growth is the execution of the plans by effectively administering the policies enunciated by the Prime Minister for the benefit of the country generally and of the masses particularly.

ESTABLISHMENT OF REGIONAL RURAL BANKS

After considering the recommendations of the Working Group on Regional Rural Banks and the views expressed by the Chief Executives of the public sector banks, National Cooperative Federations, Reserve Bank of India, the concerned Departments and Ministries of Government of India and the Chief Ministers and Finance Ministers of the State Governments, the following decisions have been taken by Government of India regarding the establishment of Regional Rural Banks:-

Regional Rural Banks should be set up, to start with, in areas which satisfy the following criteria:

- (a) the area should be comparatively backward or a tribal area; or the coverage by the commercial banks and cooperatives should be relatively poor;
- (b) the area should have a real potential for development and should be poised for a breakthrough once the flow of credit is assured. In the case of States where the coverage and performance of the cooperatives is fairly satisfactory, care has to be exercised to ensure that the growth of regional rural banks is not at the expense of cooperatives and that there is no duplication of the credit structure. Even within a State where the cooperative movement is generally sound, there are pockets and areas where the cooperative structure is weak and the scope for establishing regional rural banks in these areas will exist. Again, in certain States commercial banks have extended a fairly wide network of branches in rural areas. In such States, it may be desirable to establish regional rural banks only in those areas in the States where the development of commercial banks has been below average. Special features in States like Assam, Jammu and Kashmir, Mizoram, Meghalaya, etc., will have to be taken note of and the structure of a new regional rural bank established in these areas will have to cater to the peculiar problems of these areas and also take note of the role of existing institutions operating in these areas.

The organisation of new regional rural banks should go hand in hand with the strengthening of the primary societies at the base level, universalisation of the membership of the societies and the re-establishment of Farmers' Service Societies recommended by the National Commission on Agriculture and the T. A. Pai Group.

Location of at least 15 regional rural banks should be finalised immediately and every endeavour should be made to inaugurate them on October 2, 1975 and, in any event, before the end of 1975. Subject to manpower constraints, the target will be the establishment of 50 regional rural banks before April 1, 1977.

A Steering Committee will be charged with the responsibility of working out the full details of the

programme on the basis of Government decision and will also be entrusted with the task of monitoring the progress of the programme.

Each regional rural bank may have an authorised capital of Rs. 10 million and paid-up capital of Rs. 0.25 million. The share capital should be raised by Government of India, the State Government concerned and the sponsoring bank in the ratio of 50:15:35. There should be no participation of other institutions and individuals in the equity of the regional rural banks.

The extent to which overlapping of agencies should be minimised and the mechanism by which this would be ensured will be examined in the case of each of the proposed regional rural banks by the Steering Committee, taking into account the financing agencies operating in the area, the peculiar needs of credit and features of development in the area covered by a particular bank. This exercise should be taken up after establishment of the regional rural bank since the bank will in any case take some time to start functioning at its peak level.

The regional rural banks need extend loan assistance only to small/marginal farmers, small artisans and landless labourers. A ceiling may also be placed on the limit of loan that will be sanctioned to individuals. The Steering Committee should fix these limits for different regions and categories of loans.

Regional rural banks should earmark a small proportion of their funds for consumption loans. These loans should be restricted to only two categories of purposes: (i) educational expenditure and (ii) medical expenditure. There should be a ceiling on the maximum loan that can be advanced to an individual.

Employees of regional rural banks should enjoy scales of salaries and other benefits according to such scales prevailing in the relevant State Government. The statute governing the establishment of regional rural banks should specifically lay them down.

The training for employees of rural banks should be organised at the field level training centres of the State Governments so as to enable the staff recruited to have a deep insight into and clear appreciation of

the rural conditions apart from banking concepts and procedures. Training facilities offered by the Reserve Bank of India and cooperative institutions may also be made use of. The National Institute of Bank Management could help in formulating the training schedule, syllabus, content, etc.

Forms and procedures for the operation of rural banks should be as simple as possible. All the business should be conducted in the regional languages. Forms

should be filled up on behalf of the loanees by the employees of the banks themselves so that brokers and intermediaries do not exploit the loanes. The forms will have to vary from bank to bank. But the experience of the banks in this regard should be shared.

The Reserve Bank of India Act should be amended to place the new regional rural banks on par with cooperative banks in order to lower the rate of interest.

“Growth in exports is a sure test of the efficiency of the industrial sector. Perhaps we have lived too long in the rather cosy atmosphere, if I can call it that, of a high-cost, sheltered domestic market. Now we must venture out into the world with a new spirit of dynamism and efficiency.”

Smt. Indira Gandhi
Prime Minister of India

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INDIAN HAND TOOLS POPULAR ABROAD

M/s. Presto Works of Jullundur, a small scale sector client of TDA, recently undertook a global tour to promote exports of their hand tools and successfully concluded contracts with buyers in Western Europe and Canada.

In a competitive and tough market, the firm's products have been found acceptable by the foreign buyers. Through appointments arranged by the TDA overseas offices with the buyers, the firm has secured export orders worth Rs. 4 million, to be completed by the end of 1976. Almost 75 percent of orders booked by M/s. Presto Works is in Greece, Holland, Belgium West Germany, UK and Canada and the rest will go

to parties in Lebanon and Iran. The firm has modified its products according to overseas buyers' requirements and this, the firm is confident, will lead to further orders for about Rs. 1.5 million worth of merchandise.

This small scale firm has succeeded in making a dent in the quality-oriented markets of West Europe and North America. Success in this instance is likely to lead to further boost in their exports.

A BIG ORDER FOR BANK SECURITY EQUIPMENT

Steel Age Industries Limited, Bombay have recently received an order for 80 Heavy Vault Doors from the Rafidain Bank, Iraq's largest banking house. To the expanding export trade of the country one more non-traditional item has been added. This order, worth Rs. 1.6 million was bagged in the face of

stiff international competition from traditional makers of Bank Security Equipment in U.K., Germany, U.S.A., France and Japan, who had till now monopolised international markets.

This is the first instance of a Security Equipment manufacturer from India having received such a prestigious export order for a highly sophisticated item like vault doors. The Company has already made three shipments and the order will be fully executed by October 1976. The Company is also deputing its technicians to supervise the installations.

Steel Age Industries Limited have been exporting their Fire & Burglar Resisting Safes, Strongroom Doors, Safe Deposit Lockers, Vault Doors, Wall Coffers since 1972 to South-East Asia, and African countries, when its export was only for Rs. 0.1 million. In the year 1974-75 the Company's export earnings were to the tune of Rs. 1.7 million while in the first three months of the current year, export have already reached Rs. 0.52 million with orders worth Rs. 2 million in hand.

SUCCESSFUL PARTICIPATION IN INTERNATIONAL CONSUMER GOODS FAIR, POZNAN

The Directorate of Exhibitions and Commercial Publicity, Ministry of Commerce organised participation in the International Consumer Goods Fair which was held at Poznan (Poland) from 7th to 14th September, 1975. The Indian firms which participated in this Fair in 1973 negotiated business worth Rs. 20 million. This year as many as 47 firms and organisations and their associates displayed their goods in the Indian Pavilion.

The Indian Pavilion proved very popular and was visited amongst others by the Foreign Trade Minister and Deputy Chairman, Planning Commission and several Vice-Ministers of Poland. The total contracts concluded for locks, stationery items, bicycle parts, readymade garments, handicrafts, EPNS wares, cotton underwears, leather goods, plastic goods, sports goods, ballpoint pens etc. were worth more than Rs.

29 million. When the Fair concluded on the 14th of September, the business reported to be under negotiation for 10 thousand refrigerators and spectacle frames, sports goods, plastic goods and electronic goods and textiles was worth about Rs. 75 million.

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LAND TO LANDLESS

APPRENTICESHIP TRAINING

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TRADE ENQUIRIES FOR MARINE PRODUCTS FROM JAPAN

As a result of participation of the Marine Products Export Development Authority (MPEDA) in the Third International Frozen Food Industry Exhibition held in Tokyo from 3rd to 7th June, a large number of enquiries were received for Indian marine products from the local entrepreneurs. Detailed trade enquiries have been received for a number of marine products, such as, shrimps, lobster tails, cuttlefish fillets, frozen pomfrets, frozen froglegs, lobster meat and all varieties of frozen fish.

This exhibition was held at the International Trade Centre, Harumi, Tokyo. The MPEDA had taken an area of 18 sq. metres and a wide range of frozen marine products including frozen shrimp of different grades, cuttle fish fillets and several new products developed by the integrated Fisheries Projects, namely, minced fish meat, cooked deep sea shrimp (meat), deep sea lobster meat, deep sea lobster tails, flat fish fillets, perch fillets, eat fish fillets and frozen pomfret (whole) were displayed in deep freeze display cabinets. Several Japanese firms evinced keen interest in importing different types of marine products from India.

ASSOCIATION OF IRON ORE EXPORTING COUNTRIES

Peru, Sierra Leone and Tunisia have signed the Agreement for the establishment of the Association of Iron Ore Exporting Countries recently. These three are the seventh, eighth and ninth countries to sign the Agreement. The six other countries which have already signed the Agreement are Algeria, Australia, Chile, India, Mauritania and Venezuela.

The Agreement is an important step forward in international cooperation envisaging orderly and healthy growth in export trade in iron ore, which is one of world's essential commodities for the purposes of development. It is based on the concept of promoting cooperation both among the developed and the developing countries as well as the producing and the con-

suming countries for the purpose of securing remunerative returns from the production, processing and marketing of iron ore. The Agreement seeks to protect the interest both of producers and consumers of the iron ore.

The Association will formally come into force from October 12, 1975. The first session of the Conference of Ministers of Iron Ore Exporting Countries will be held in London on October 23 and 24, 1975 under the Chairmanship of Prof. D.P. Chattopadhyaya, Union Commerce Minister. This will be preceded by the meeting of the Board of the Association of Iron Ore Exporting Countries on October 21 and 22, 1975 under the Chairmanship of Foreign Trade Secretary, Dr. P.C. Alexander.

It may be mentioned that India has played a significant role in initiating and forming the Association of Iron Ore Exporting Countries. The Agreement was finalised and approved by the Ministerial Meeting of Iron Ore Exporting Countries held in Geneva in April, 1975 under the Chairmanship of Prof. D.P. Chattopadhyaya, Union Minister of Commerce. The Final Act containing the text of the Agreement was signed by 11 countries, namely, Algeria, Australia, Brazil, Chile, India, Mauritania, Peru, Sierra Leone, Sweden, Tunisia and Venezuela. It may be of interest to know that the total world production of iron ore in 1973 was 794 million tonnes and the production of signatory countries was 243 million tonnes i.e. 30 per cent of the total world production. India's production of iron ore in 1973 was of the order of 35.20 million tonnes and export was 21.40 million tonnes. India's share of iron ore in world production had been 4.4 per cent and share in exports 8.6 per cent.



INDO-SWEDISH TRADE TO BE DIVERSIFIED

India's export to Sweden has been steadily increasing in the recent years and stood at the record figure of Rs. 161.60 million in 1972-73 representing an increase of 250 per cent over the figure of 1968-69. The export figure in the first 11 months of 1974-75 stood at Rs. 138.10 million as compared to Rs. 123.40 million during the corresponding period of 1973-74.

India's imports from Sweden had steeply fallen from Rs. 167.70 million in 1968-69 to Rs. 97 million in 1970-71. They were of the order of Rs. 237 million in 1973-74, the highest during the last five years. During the 11 months of 1974-75 imports declined to Rs. 197.70 million. India's main exports to Sweden include textile items like cotton piece-goods, natural silk and ready-made garments, jute manufactures, carpets and leather. India's principal imports are electrical and other machinery, steel, paper and paper board and manufactures of metal.

At present nearly two-third of India's total exports to Sweden are accounted for by cotton textiles. In view the difficulties faced by Swedish textile and clothing industries as a result of rising volume of imports from other countries India is trying to locate other growth items of trade with Sweden. This was conveyed recently by the Union Commerce Minister, Prof. D.P. Chattopadhyaya, to a Swedish Parliament delegation. He further said that India was taking steps to diversify her trade with Sweden especially with regard to non-traditional items such as engineering goods.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

PRODUCTION IN PUBLIC SECTOR UNITS GOES UP

The public sector units under the Department of Heavy Industry achieved production valued at Rs. 567.6 million in August this year. It indicates a marked rise of 35 per cent over the production in August 1974,

valued at Rs. 420.9 million. During the first five months, from April to August 1975, the value of total production in these units was Rs. 2269.8 million, which is 95 per cent of the target of Rs. 2668.1 million. There has been a progressive increase in the monthly production in these units. It was 71 per cent of the target in April; 75 per cent in May and June; 98 per cent in July and 96 per cent in August.

During August 1975, the Bharat Heavy Electricals Limited showed a total out-turn valued at Rs. 318.4 million from all its units. This is 105 per cent of the target of Rs. 302.8 million and was 45 per cent higher than the production of Rs. 219.7 million in August last year. Cumulatively, the output of BHEL during April to August 1975, has been worth Rs. 1321.2 million, which is 46 per cent higher than the production worth Rs. 889.4 million in the corresponding period last year. Among the units which have crossed the monthly production targets in August 1975 are: Triveni Structurals Limited (109 per cent); Bharat Pumps and Compressors (100 per cent) and ISW — Burn (109 per cent).

SELF-SUFFICIENCY IN NUCLEAR INSTRUMENTS

India has attained self-sufficiency in nuclear instruments as far as the nuclear programme is concerned. The Bhabha Atomic Research Centre has developed a wide variety of nuclear instruments required for the atomic energy programme. All these are being produced indigenously on commercial basis by the Electronics Corporation of India Limited, Hyderabad, a public sector undertaking of the Department of Atomic Energy. Continuing efforts are being made in BARC to update the technology in instrumentation.

UPSWING IN POWER OUTPUT

The total availability of power in the country as whole is estimated at 212 million units a day. Twelve thermal power stations in the country which recorded an output of over 6,000 kwh per kilowatt of installed capacity during 1974-75, have set for themselves

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even higher targets for the current year. Another 12 thermal stations recorded an output between 5000 and 6000 kwh per kilowatt of installed capacity during 1974-75. These stations will strive to step up their generation to the level of 6000 kwh per kilowatt of installed capacity.

Hydel stations in the Northern Region generated 958 million kwh in August this year, the Western Region 559 million kwh, the Southern Region 1,264 million kwh and the Eastern Region 296 million kwh.

In view of good rains, there has been a marked improvement in the level of hydel reservoirs. Bhakra generation has been stepped up to 20 million units a day. The hydel generation in Tamil Nadu has risen to 20 million units a day and in Maharashtra 17 million units a day.

PRODUCTION OF JIGS, FIXTURES AND PRESS TOOLS

At present there are 17 units engaged in production of these items. A capacity of Rs. 110 million has been covered by industrial licences. In addition, letters of intent have been issued for an additional capacity of Rs. 25 million. Besides, considerable capacity is available for these items in the various engineering industries. The production of jigs, fixtures, etc. during the last three years was as under.

<i>Year</i>	<i>Production</i>
1972	Rs. 24.971 million
1973	Rs. 24.138 million
1974	Rs. 37.723 million

The initial requirements of most of the jigs, fixtures and press tools for new projects are met through imports alongwith the imports of capital equipment.

The Task Force of the Planning Commission has projected a demand estimate of Rs. 125 million per annum by the end of 1978-79. Jigs, fixtures and press tools are tailor-made items and offer scope for installation of special-

ised units during the Fifth Plan period. The proposals for foreign collaboration for the manufacture of specialised products can be considered on merits.

MANUFACTURE OF INDUSTRIAL CHAINS

The annual capacity licensed is of the order of 4.37 million meters and the installed capacity is 2.342 million meters. Further letters of intent for an additional capacity of 2.5 million meters have been issued. The total capacity likely to materialise by 1978-79 is approximately 5.6 million meters.

The actual production recorded rise during the last three years as the following table reveals :

<i>Year</i>	<i>Production</i>
1972	1.25 million meters
1973	1.30 million meters
1974	1.56 million meters

The demand for automotive chains has been estimated at 2.13 million meters by 1978-79. In view of the increasing demand for industrial chains required by textile, jute, petrochemical and other miscellaneous industries, there is good scope for new entrepreneurs in this field.

DEMAND FOR ROCK ROLLER BITS

Tricone rock roller bits are used in oil and water well drilling. The estimated annual demand is 12,000 nos. per annum. One unit has commenced production and its licensed capacity is 3000 nos. per annum. Letters of intent have been issued to 4 more parties for a capacity of 12000 nos. per annum.

Well prepared schemes for the manufacture of rock roller bits from the raw material stage will be considered on merits. Foreign collaboration can also be considered on merits.

INDO-SOVIET ECONOMIC COOPERATION

India and USSR entered into an Agreement recently on 17th September, 1975 for the development of coal mines in India. This Agreement has been effected under the Indo-Soviet Protocol signed by India and the USSR in 1973.

This Agreement is for the preparation of detailed project reports for the development of five coal projects in India — two in Singrauli, two in Raniganj and one in Ramgarh. The projects covered under the Agreement are two open cast mines at Jayant (with 10 million tonnes annual capacity ultimately) in the Singrauli coal fields; two underground mines at Chinakurti and Nakrakonda in Raniganj area; and an open cast cooking coal mining in Ramgarh.

On its completion, the Singrauli project would be the biggest single project in India and would produce 1.2 million tonnes of coal by 1978-79 and 6 million tonnes by 1983-84. As regards the Ramgarh opencast mine, it would produce 3 million tonnes of coal per annum.

It may be recalled that Soviet collaborations in the field of Indian coal mining started with the Kobra coal-fields during the Second Five Year Plan. Three other collieries were developed during the Third Plan with Soviet assistance.

RECORD HANDLING OF TRAFFIC AT PARADIP PORT

Paradip port handled a record traffic of 13,23,770 tonnes during the current year till August, as against 4,95,189 tonnes carried during the corresponding period of last year.

In the month of August, the port exported 2,07,234 tonnes of iron ore, 29,254 tonnes of chrome ore and 112 tonnes of frozen fish bringing the total traffic to 2,36,610 tonnes which was 93,500 tonnes more than that handled in August 1974.

The entire iron ore was loaded by the mechanised ore handling plant. It took 13.4 days to complete the operations yielding a daily loading average of 15,465 tonnes, which was the highest daily average for the current financial year. The largest quantity loaded in a single day, on August 4, was 21,800 metric tonnes.

As decided at the Conference for Increase in Productivity at Major Ports, held in early August, a Task Force has already been constituted at the port to implement an integrated plan for increasing the traffic handling rate at the port.

The paradip port was also likely to be used for export of sugar to West Asia.

PERFORMANCE OF HINDUSTAN TELEPRINTERS

The production by Hindustan Teleprinters Ltd., a public sector undertaking, is looking up. The main items manufactured by it are teleprinters and ancillary equipment. The value of its production was worth Rs. 6.31 million during the first quarter (April 75 to June 75) of the current financial year. This undertaking is also contributing to the earning of foreign exchange by way of exports. It exported teleprinters and ancillary equipment valued at Rs. 0.564 million during the preceding financial year. The countries to which these items are exported include Singapore, Nepal, Sri Lanka, Belgium, Bhutan etc. The exports during the current financial year are expected to increase further.



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Rs. 0.7 million, including cost of building, photographic equipment, camera, lenses, printing screens, offset printing equipment and so on. Many offset printers in the country can start the work by making an initial investment of Rs. 0.06 million to Rs. 0.1 million only. The production cost of a picture post card comes to Rs. 1.25 per postcard.

LAND TO LANDLESS

By now 13 Indian States have enacted land ceiling laws. These laws provide for the collection of information regarding land with land holders, land distribution of surplus land among the landless.

Information about the ownership of land could be forwarded to the Government either voluntarily at the initiative of the land-holders or through the action taken by the implementing authority. So far 5,23,277 returns have been filed in these States. An analysis of these returns reveals a remarkable trend — a majority of land owners have volunteered the information and the implementation authority had to enforce the law in fewer cases. Of the total returns filed, as many as 2,71,993 have been sent at the initiative of the land-owners, and the rest totalling 1,55,284 at the instance of the implementing authority. As a result of scrutiny of these returns, 2,91,924 acres of land have been declared surplus. Over 91,000 acres have already been taken possession of by the States.

Distribution of surplus land among the landless has already started. By now, over 24,000 acres have been distributed by four States alone among nearly 14,000 landless beneficiaries. West Bengal has distributed over 10,000 acres; Kerala, over 2,400 acres; Rajasthan, over 1,500 acres and Uttar Pradesh 182 acres. Information from other States is also being collected.

The 13 States which have revised or enacted a fresh land ceiling laws are: Andhra Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Madhya Pradesh, Orissa, Punjab, Rajasthan and Uttar Pradesh. The laws of Assam, Kerala, Tamilnadu and West Bengal have been substantially amended

in a way that obviated the need for any major amendment subsequently. The laws of other States like Maharashtra are being modified to suit national guidelines and the temper of the times. As regards remaining states such as Nagaland and Meghalaya they do not require any land ceiling as land-ownership there is largely communal.

Among the Union Territories, it is only in Pondicherry and Dadar and Nagar Haveli that land ceiling regulations have been properly enacted. Goa, Daman and Diu would legislate after the completion of the survey and settlement operations which are under way. Andaman and Nicobar islands as also Lakshadweep island do not have any ceiling law and the land-man-relationship there being what it is, it is felt that there is no urgency for it either. Similar conditions prevail in the Union Territories of Arunachal Pradesh and Mizoram. In the Union Territory of Chandigarh, the Punjab Land Ceiling Law is being extended. The Delhi Land Ceiling Law is also being revised.

About 17,00,000 hectares of land have been donated under the movement initiated by Vinobhaji. Of this nearly 4,75,000 hectares have already been distributed among the landless. The task of redistribution of land is colossal. It bristles with social, economic and legal implications. A start—and a vigorous one at that—has been made and the achievements so far have been significant.

APPRENTICESHIP TRAINING

The need for regular supply of trained manpower was felt when the Government embarked on the policy of planned industrialisation in 1950. It was felt that the apprenticeship system is good for the training of skilled workers. A voluntary scheme of apprenticeship was enforced immediately but the scheme did not yield much results. It was, therefore, at the instance of and in close collaboration with the industry, the Apprenticeship Act of 1961 was passed. The scheme started in January 1963 with a total of 14 designated trades.

The Prime Minister in her 20-point economic programme said “One of the measures to increase employment opportunities for educated young people, the Apprenticeship Act will be suitably amended so that managements in the organised sectors of our economy

take a large number of apprentices for a specified period. Special care will be taken to ensure a fair deal to scheduled Castes and Tribes, minorities and handicapped persons in the recruitment of apprentices."

It was duly followed by the State Labour Ministers' Conference and emergency meeting of the Central Apprenticeship Council. It was decided to fill up all the vacant places in a month and increased training places in a phased manner.

Under the Apprentices Act, it is a statutory obligation of all employers in specified industries to engage certain number of apprentices in designated trades for undergoing apprenticeship training according to the prescribed standards and syllabi. The development of the apprenticeship programmes also resulted in dovetailing the institutional and the apprenticeship systems so that the country could derive the maximum advantage of both the systems. The Act was amended in 1972 in consultation with the State Governments, concerned Ministries and departments, the Planning Commission and the employers and workers' organisations to cover graduate engineers and diploma holders to ensure that they are properly trained.

The training for various trades varies from 6 months to 4 years and the qualifications for admission from 5th class pass to higher secondary depending upon the type of trade. There are 61 designated trades and 201 industries specified under the Act. Forty new trades and 16 new industries are being added to enlarge the scope of the Act. Besides, similar steps are being taken for the graduate engineers and diploma holders.

The trainees are given stipends from Rs. 90 per month to Rs. 144 per month according to year of training. In the case of Bombay, Calcutta and Madras, the rates are Rs. 100 per month to Rs. 150 per month. In case of engineers and diploma holders the stipend rates are Rs. 250 per month and Rs. 150 per month respectively. Government feels that the rates are too low and a committee has gone into the matter. Its findings are at various stages of processing. About 16,000 additional seats had been filled up by August 15, 1975 through the vigorous drive and concerted efforts of the State Governments and Union Territories. Besides, the provisions of the Act regarding reservation of training places for Scheduled Castes and Tribes are being enforced strictly.

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EXCHANGE VALUE OF RUPEE: LINK-UP WITH BASKET OF CURRENCIES

The Government of India have reviewed in the light of recent developments in the international currency markets the present exchange rate arrangements under which the Central rate for the Rupee is designated in terms of pound sterling.

Government have concluded that in the altered circumstances, it is necessary to move over immediately to a new arrangement which, on balance, may be expected to impart a greater measure of stability to exchange rate and in consequence to international transactions.

Accordingly, Government have issued a notification under Section 40 of the Reserve Bank of India Act, 1934, which replaces the two existing notifications issued on 20th December, 1971.

Under the new arrangement, the exchange value of the rupee will be determined with reference to daily exchange rate movements of a selected number of currencies of countries which are India's major trading partners. However, the pound sterling will continue to be used by the Reserve Bank of India as its currency of intervention.

In accordance with the new notification, effective from 25th September 1975, the Reserve Bank of India's spot buying and selling rates for pound sterling have been so fixed as to yield a middle rate of Rs. 18.3084 to a pound as compared to the existing middle rate of Rs. 18.60 to a pound. Future changes in this rate, if any, will be determined with reference to the basket of selected currencies as mentioned above.

The Government of India wish to emphasise that the new arrangement is designed to deal with the transitional situation in which a large number of major cur-

rencies are floating. The Interim Committee of the Board of Governors of the IMF is currently engaged in the task of devising a durable system of exchange rate relations. The Government of India earnestly hope that agreement can be reached on the details of the new system at an early date so that the present uncertainty and instability in the exchange rates can be removed.

INDIA'S SPLENDID PARTICIPATION IN INTERNATIONAL AUTOMOBILE TRADE FAIR

Indian firms participating in the International Automobile Trade Fair, which was held at Frankfurt from 11th September to 21st September, 1975, bagged substantial export orders. This was India's first participation in this Fair which is regarded as the biggest event in automobile industry. Eleven Indian firms participated in the Fair. This participation was organised by the Trade Development Authority. In this Fair, which is considered to be the most important exhibition in Europe, 27 countries in all took part.

The Union Commerce Minister, Prof. D.P. Chattopadhyaya, who was visiting various countries of Europe at that time, went round the various pavilions of the Fair and held discussions with the Chairman of the Federation of Automobile Industry. The Commerce Minister emphasised India's technical competence in the field of automobile engineering and successfully persuaded the West German industrialists regarding the scope for increasing imports of automobile parts and ancillaries from India.

Indian participants in the Fair have made over 100 new contracts with concrete business prospects. The Fair generated sufficient enquiries for Indian items such as brake drums and discs, dashboard instruments, hydraulic jacks and bulbs, special fasteners, helmets and oil seals, pistons and cylinder liners and engine mountings, wiper blades, crank shafts, gears, forgings of crown wheels and pinions. Besides, detailed discussions held with leading manufacturers of automobiles, have revealed that there exists immense potential for sub-contracting for items such as decible meters, pistons, mountings etc. Several interesting collaboration proposals for items such as steering locks and magnetic heads were also mooted.

Several other prospects also emerged from the Fair which are under active negotiation under the Indo-German Commercial Development Programme. The Indo-German CDP gives opportunity to the participants to follow up after exhibitions the various contracts including Daimler Benz from whom more trial orders in fasteners cylinder liners and oil seals are expected.

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INSTITUTIONAL CREDIT FOR RURAL AREAS

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It is significant to mention that not only German manufacturers and dealers took keen interest in India's auto-products but those of France, Belgium, Sweden, Finland, U.K. and USA were also greatly impressed by the quality and price of Indian exhibits. Above all, India's successful participation in the Fair has gone a long way in projecting the true image of the capabilities of India's auto-manufacturers. It is quite clear from the gratifying results of the Fair that India's future participation in it in 1977 Fair may turn out to be on a far greater scale.

INDO-YUGOSLAV TRADE NEGOTIATIONS CONCLUDE

A three-day Indo-Yugoslav negotiations on trade and economic cooperation concluded at Zagreb (Yugoslavia) recently. The discussions took place between the Union Commerce Minister, Prof. D.P. Chattopadhyaya and the Yugoslav Vice Premier, Dr. Anton Vratusa who are the two co-chairmen of the Indo-Yugoslav Joint Committee.

The two leaders reviewed with satisfaction the progress of trade between the two countries. They also stressed the need for a systematic approach on concrete lines to Indo-Yugoslav joint ventures in third countries, for which there was ample scope.

During his stay in Yugoslavia, the Commerce Minister also visited Zagreb International Trade Fair, an important commercial Fair in which India have been participating for a number of years. This year, about 89 Indian firms had exhibited items such as various types of engineering goods, chemicals and pharmaceuticals, tyres, vacuum flasks, refractory material, paints and varnishes, beverages, cigarettes, finished leather goods, sea food, canned fruit products, linoleum, coir goods, sports goods and handicrafts.

The trade between India and Yugoslavia was on rupee-account up to the year 1972-73, but a bold decision was taken by both the countries to convert trade to Free Foreign Exchange System with effect from

January 1, 1973. The trade under rupee-account which was showing decline from about Rs. 227 million in 1971-72 to Rs. 198 million in 1972-73 showed an appreciable increase to Rs. 314 million in the year 1973-74 under the Free Foreign Exchange System. The exports increased from Rs. 124.5 million in 1972-73 to Rs. 297.3 million in 1974-75, registering an increase of nearly 90 percent.

The exports to Yugoslavia consist mainly of tea, hides and skins, groundnuts, coir, pepper and rubber tyres for vehicles. Intensive efforts are being made for diversifying trade to non-traditional products.

India's imports from Yugoslavia consist mainly of ships, parts and components of crawler tractors, capital goods, iron and steel bars and rods, drugs, pharmaceuticals and chemicals. Possibilities of import of fertiliser, mercury and zinc are being explored.

INDIA'S ENTRY INTO NEW MARKETS WITH NEW PRODUCTS

The concerted efforts made by the Trade Development Authority to promote exports in the light of 20-Point Economic Programme have borne encouraging results. During three months of emergency, the TDA has supplied requisite information to as many as 826 Indian and foreign firms either across-the-table or by post and prepared six market surveys and 31 information documents for the benefit of the industry and trade. Its clients have introduced new products in the export field and entered into many new markets of the developed countries.

One of the services provided by the TDA is to supply pin-pointed micro-level information on several aspects of export marketing to the business community both across-the-desk and by post. Since the emergency, it supplied to organisations and individuals a wide variety of information including names and addresses of the importers, export procedures and documentations, rates of import duties, tariff concessions under GSP and export-import statistics pertaining to overseas

markets such as Western Europe, North America, Latin America, Gulf countries, South East Asia and Africa.

During these three months, the TDA also received as many as 40 foreign enquiries from countries such as Iran, Iraq, Singapore, Nigeria, France, Italy, Ethiopia, U.K., USA and Ireland. Most of the enquiries related to identification of reliable Indian suppliers of the products such as plywood, metal box, industrial fasteners, engineering and electrical goods, tools, scientific equipment, tinned food and handicrafts.

Within a short period of three months, the TDA has brought out six market surveys based on on-the-spot investigations in the overseas markets as well as desk research conducted by its foreign offices in New York and Frankfurt. These market surveys are on (1) Ferrous Forgings and Castings for Industrial Applications in Federal Republic of Germany and Italy, (2) Auto Ancillaries in USA, (3) Bicycles and Bicycle Parts in USA, (4) Scientific Instruments in USA, (5) Automobile Ancillaries in West Germany and (6) Hand Tools in West Germany. Three markets surveys reports are at present under preparation, which relate to (1) readymade garments and bicycles in Netherlands, (2) Electronics in USA, Japan and Canada and (3) Plastics in Canada.

The TDA has brought out 31 information documents on crucial marketing for the benefit of its clients in particular and the industry and trade in general. These documents have enabled its clients to draw up an appropriate marketing strategy to promote exports of their products.

As many as 97 global tenders were circulated to 1909 manufacturers. These related to cables, conductors, medical appliances and equipment, building construction, air-conditioning, transformers, rice mills, tractors, transport vehicles from countries including Morocco, Kuwait, Libya, Malaysia, Singapore, Saudi Arabia, Iraq and Korea.

Through its persistent efforts, TDA has achieved tremendous success in making a dent into the developed markets of West Europe and the USA for a wide

range of new products. During the last three months, the TDA clients have booked export orders worth Rs. 8. million for industrial fasteners to USA. A further order of Rs. 4.4 million worth is expected to materialise on a long term basis.

The Indian exporters also booked export business for supply of golf shoes worth Rs. 6 million, bicycle caliper brakes worth Rs. 1 million, racing bicycles worth Rs. 0.7 million, readymade garments worth Rs. 0.5 million, costume jewellery worth Rs. 0.2 million and maternity garments worth Rs. 0.2 million. Besides these firm orders, trial orders were placed for electronic components, forgings and castings and fruit juices.

Export success has also been achieved in the West European countries particularly in the West German market mainly due to Indian firms, participation organised by TDA in the Frankfurt Automobile Fair recently. The business booked amounted to Rs. 6.3 million for supply of various automobile items. This Fair has enabled its clients to make dent into the automobile ancillaries market in Federal Republic of Germany.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

PRODUCTION OF EQUIPMENT FOR PROCESS INDUSTRIES STEPS UP

Bharat Heavy Plate & Vessels Limited, (BHPV) Visakhapatnam a public sector undertaking, has taken a significant stride in the manufacture of equipment for process industries such as fertilizer, petroleum, petrochemical, chemical and steel.

For the first time in the country, the BHPV has manufactured a second stage condensor for the world's largest coal-based fertilizer unit of the Fertilizer Corporation of India at Talcher. The second stage condenser, a special type of heat exchanger weighing approximately 50 tonnes, is used for cooling in the urea

plant of the fertilizer industry. The heat exchanger is made of stainless steel material with an outer diameter of 2200 mm and a length of 14,000 mm. It comprises 3 concentric shells of stainless steel and two annular tube sheets each of 100 mm thickness for the separation of outer and intermediate shells. The tube sheets on each side have 2800 holes drilled to suit stainless steel tubes of 20 x 1.5 mm thickness.

The unique feature of this heat exchanger is that the tube nest of 10 metres length is designed without any intermediate support. To avoid any sagging of tubes in transit, the annular space has been filled with ammonia sulphate. The second stage condenser will be transported by a special BFU Wagon of 90 tonnes capacity as the total weight of this condenser together with packing material and accessories is 66 tonnes.

The BHPV has orders, in hand, for six of these large heat exchangers. Two each will be supplied to the fertilizer units at Ramagundam in Andhra Pradesh, and Talcher in Orissa. The other two will be supplied to the units of the Fertilizers Corporation of India at Nangal and Sindri. The manufacture of such large heat exchangers in the country will not only create a climate of self-sufficiency in the matter of process equipment, but would also result in considerable foreign exchange savings.

CONSTRUCTION OF MATHURA REFINERY

A contract for supply of equipment and materials for the construction of the 6 million tonnes refinery at Mathura has been finalised with the Soviet Organisation M/s. Neftech-impromexport and the Indian Oil Corporation.

Supplies of approximately 32 thousand tonnes of equipment and materials costing Rs. 174 million will begin in 1976 and will be completed by the first half of 1978. The total capital cost of the Mathura refinery is expected to be Rs. 1500 million.

The construction of the Mathura refinery, which had to be rescheduled due to difficult resources position and foreign exchange limitations for crude oil imports following steep hike in crude prices, will now be completed by 1979, so that the refinery can be commissioned by 1980. Land for the Mathura refinery had

already been acquired and soil investigations completed. Civil works are expected to be started next year. The implementation of the Mathura project has been entrusted to the Indian Oil Corporation. Engineers India Limited (EIL) are the prime consultants/contractors of the project. Detailed project report has already been prepared. Certain units of the refinery will be designed by the Soviet collaborators and the rest will be done by EIL. The entire power plant and boiler house will be designed, erected and commissioned by Bharat Heavy Electricals Limited on turn-key basis. The design of the refinery has been suitably altered to enable processing of the Bombay High crude when the same is made available.

When commissioned, the refinery will be able to meet the growing requirements of petroleum products in the North-West region. A special feature of the refinery will be the installation of a catalytic cracking unit which will increase the production of middle-distillates which are in great demand in the region. The refinery would also be able to produce 0.2 million tonnes of liquid petroleum gas (cooking gas), the demand for which is growing. The Mathura refinery is also expected to supply fuel oil feedstock to five fertiliser plants. These include Nangal Expansion, Bhatinda, Panipat, Kanpur and Kota.

The Mathura refinery project includes the setting up of a shore terminal at Salaya in the Gulf of Kutch from where a 1200 kms. pipeline will carry the crude to the refinery at Mathura. A branch pipeline will take off at Viramgam in Gujarat to supply crude to the refinery at Koyali. This would be the largest pipeline system in the country. The Indian Oil Corporation is also installing a single buoy mooring off Salaya which again will be the first of its kind in India.

REVITALISING THE HANDLOOM INDUSTRY

In a recent broadcast on the development of handloom industry, Mr. Vishwanath Pratap Singh, Union Deputy Minister of Commerce announced that 50 export oriented pilot production projects of one thousand looms each, were proposed to be set up in important handloom centres during the Fifth Plan. The Centre's contribution for the development of handloom industry has been increased by Rs. 432 million. A number

of new handloom houses and emporiam would be opened throughout the country. Adequate and timely supply of yarn at reasonable prices would also be ensured. The development of the handloom industry has been given a place of pride by the Prime Minister in her 20-point economic programme.

Handloom is an important traditional rural and semi-urban industry spread over most parts of the country. It is estimated that there are over 3 million handlooms in the country. These provide employment and a living to more than 10 million of the population. Today, about 27 percent of the cotton cloth production in India is produced by the handloom sector. The Fifth Five Year Plan target is to increase the production of handloom cloth to 3,000 million meters i.e. 30 percent of the total cotton cloth production target. The contribution of this industry to exports during the financial year 1974-75 in the form of fabrics, made-ups and garments was nearly Rs. 1000 million. With their myriad varieties and beautiful designs, the handloom fabrics and garments have the abiding quality to meet the ever-changing artistic demands from the affluent societies of the world.

As regards the plans and programmes for the revitalisation and development of the handloom industry, the Deputy Minister informed that it was proposed to strengthen and broad-base the administrative structure at the Centre. A handloom Development Commissioner with adequate technical and other staff to assist him is shortly being appointed. He will be in exclusive charge of the handloom industry at the Centre. The All-India Handloom Board is also being revitalised and will be converted into a statutory Board. The Handloom Development Commissioner's organisation together with the All-India Handloom Board would play a dynamic and co-ordinating role in the development of the handloom industry in the country. They will be in overall charge of monitoring and implementing all central and centrally sponsored schemes. It was also proposed to strengthen and expand the existing two institutes of handloom technology at Salem (Tamil Nadu) and Varanasi (UP) and almost double the number of weavers' service centres in the country in order to provide the fruits of improved technology and adequate training facilities to the weavers. The objective is

to attain higher levels of production, efficiency and quality.

To emancipate the weavers from economic exploitation, the cooperative coverage for the handloom sector would be expanded from the existing 30 percent to 60 percent by the end of Fifth Five Year Plan period. It is proposed to achieve the above objective, by taking up programmes to revitalise the dormant cooperative societies and also starting new cooperative societies in potential areas. Adequate and timely supply of yarn at reasonable prices is a basic requirement and necessity for the unhindered development of the handloom sector. With this end in view, certain measures are being taken to considerably increase the production of hank yarn. The Fifth Five Year Plan licensing policy for the textile industry has been drawn up with a view to creating additional spindleage capacity for this purpose. All new spinning mills will have an obligation to produce 65 percent of the production in the form of hank yarn. Preference is to be given for starting spinning mills in the public or cooperative sector.

For rehabilitation and effective development of handlooms outside the cooperative and master-weaver fold, it is proposed to start intensive development schemes. Each unit of such a scheme would consist of 5 thousand to 10 thousand handlooms in compact geographical areas. These schemes are intended to increase the efficiency and productivity of the handloom weavers covered by the schemes. The weavers, covered by the schemes, would be provided with necessary facilities and assistance like training and technological help, modernisation of handlooms, supply of adequate quantities of inputs at reasonable prices, provision of adequate credit and marketing facilities. These schemes are expected to act as a catalyst for the development of the handloom industry outside the cooperative fold. The organisational set-up for running these intensive development projects will be on the model of joint stock companies which in course of time would be converted into cooperative societies.

During the Fifth Plan period, it is proposed to set up 50 export-oriented pilot production projects of 1000 looms each in important handloom centres which are

contributing to the export market and which have highly skilled handloom weavers. Adequate assistance for modernisation of handlooms, technical help for production of better quality and better design fabrics, timely and adequate supply of yarn, provision of credit and marketing facilities would be given to the handloom weavers covered by these projects. The objective is to produce more quality and artistic fabrics for the export markets.

The revitalising of cooperatives and expanding the cooperative coverage and the implementation of the various intensive development and export production projects will automatically streamline and expand the marketing outlets for the handloom products. In addition, it is proposed to open a number of new handloom houses and emporia throughout the length and breadth of the country under the auspices of the All-India Handloom Fabrics Marketing Cooperative Society and the various state apex Cooperative societies.

It has been decided to reserve five more items exclusively for the handloom sector in order to increase the area and quantum of production for the handloom sector. They are ; yarn dyed dhoties, low reed pick cloth, all coloured sarees, dusters and certain types of towels. It has also been decided to introduce stamping of "Texmark" on powerloom cloth so that powerloom cloth is not passed as handloom cloth especially in the export market.

Against the original provision of Rs. 118 million as Central contribution for the development of handloom industry during the Fifth Plan period, the Centre's contribution will now be of the order of Rs. 550 million. Against this contribution of the Central Government, the matching contribution of the State Governments will be of the order of Rs. 130 million. To supplement the Government outlays for the fullest implementation of the schemes, a sum of Rs. 2400 millions will be required to be raised from institutional finances. With the raising of these resources, the handloom industry will be able to stand on its own and contribute its mite to the national economy.

The Deputy Minister said, "India is now poised for concerted action to bring health and vitality to the Handloom Industry. It is hoped this will be the beginning of a new era for the rehabilitation and development of the handloom industry promising a fuller life to the struggling handloom weaver."

NEW PETRO-CHEMICAL COMPLEX COMING UP

The Petro-chemical complex is fast taking shape near Baroda where nine projects would go on stream as planned next year. It is a matter of pride both for the top executive and the workers that the labour of seven years is now taking concrete form. Three of the plants have already been erected. Others are in various stages of construction and all seem to be going according to schedule.

A Petrochemical project as large and sophisticated as this has many novel features. All the units are independent yet mutually supporting. What is a by-product in one plant is a raw material for another. The sixty acre Complex is crisscrossed with giant pipes and when complete, these would measure some 800 kilometres. The giant flare stack is under construction to burn what cannot be used.

Petro-chemicals are a young branch of industry. Its product provide effective substitutes for costly and scarce raw materials such as steel, copper, cotton and wool. No wonder it has had a spectacular growth in advanced nations. The Indian Petro-chemical Corporation Limited (IPCL), which runs the 3600 million rupee Baroda Complex, is a Central Government enterprise. The first phase of the project has been completed and three plants have started production.

One of its plants producing DMT, the raw material for polyester fibre and filament had a turnover of about Rs. 200 million last year. The plant can produce 24,000 tonnes of DMT. When all the nine projects in the Complex go on stream next year, it will be possible to meet a major part of the demand for synthetic fibre in the country.

The production of intermediates required for this fibre covers about 22 per cent of the total capacity of over 0.3 million tonnes of the Complex. Other items such as polyethylene, poly-propylene, detergent alkylate and synthetic rubber constitute the rest of its capacity. These will be turned into end-products which will be used in food processing and preservation, health, nutrition and medical care, transport, industry and communications, housing and defence equipment.

The products covering a wide range include insulation material, films, radio and television components, automobile parts, camouflage nets, tyres and foot-wears, synthetic detergents and substitutes for natural wool.

The justification for heavy investment of public funds in petrochemical industries lies in its economic and social relevance to developing countries such as India. A number of methods have been developed to prevent loss of irrigation water through seepage and evaporation by the use of modern plastic products.

A new technique, known as mulching, has been successfully adopted in arid zones to grow crops. The technique involves the covering of irrigated fields by thin, black poly-ethylene films. The shoots are allowed to come out through holes cut in the sheet. While cutting down water evaporation, it also prevents growth of weeds by not permitting sunshine to reach them. Poly-ethylene films are also used in lining irrigation canals to prevent loss of water by seepage. The method is comparatively cheap.

Plastic materials are being widely used by farmers in many agricultural operations. The use of plastics in the form of bags, nets, PVC pipes and tubes has raised the average yield of fruits by about 80 per cent. They have helped in controlling the growth of weeds.

Plastic nets, which can last for over five seasons are used in protecting the crops against moist and hail-storm. Use of plastics has, in several cases, helped in early maturity of crops.

It is a measure of the confidence, initiative and skill of India's young technologists that foreign know-how in building this sophisticated complex has been limited only to basic engineering. The detailed engineering was undertaken by Engineers India Ltd., another public sector undertaking. Most of the plant and machinery for the complex is being made within the country. This has helped save Rs. 440 million and that too in foreign exchange.

Many of the products of the Baroda Complex will be made in India for the first time. IPCL is developing a market for these products. It is providing package service to the four thousand private sector units which will turn the plastic into consumer products. Most of these units are in the small scale sector.

NATIONAL POWER GRID IN THE OFFING

Five regions in the country have sizeable inter-connected power systems, following concerted efforts by the Ministry of Energy. The establishment of an All-India Power Grid is in the offing.

The Northern power grid covers today U.P., Punjab, Haryana, Bhakra Management Board, Jammu, DESU, Rajasthan and M.P. systems, with a capacity of 5504 MW. The Southern grid covers Andhra Pradesh, Kerala, Karnataka, Tamilnadu and Orissa systems with 5525 MW capacity. The Western grid covers Maharashtra, Gujarat and Tarapur systems with 3865 MW capacity and the Eastern grid covers West Bengal, Bihar and D.V.C. systems with 3200 MW capacity. Thus, out of the total installed capacity of 18.27 million KW in the country, about 18.09 million KW is operating in an inter-connected manner and only about 0.18 million KW is operating in Eastern region.

When the 132 kV line from Udhampur to Srinagar is augmented, Kashmir will also get integrated with Northern region. With the completion of Dalkola-Siliguri 132 kV lines, the northern part of West Bengal will get integrated with Eastern region. Assam, Meghalaya and Tripura with an installed capacity of

178 MW are already inter-connected. With the completion of the Dulabchera-Aijal 66 kV lines, Mizoram will be connected with the Assam system. Nagaland and Arunachal Pradesh are being partly fed by the Assam system by the 66 kV and 33kV lines respectively. With the completion of the Loktak project and the associated 132 kV lines which will inter-connect the Manipur system with the Nagaland and Assam systems in about a couple of years, the North-Western region will also evolve as an inter-connected system.

The construction of Badarpur-Jaipur 220 kV link which will connect the Badarpur-DESU-BMB system with the Rajasthan system has been practically completed and the line is expected to be commissioned shortly. The commissioning of this line will further stabilise the integrated working in the Northern region.

In January 1975, the power systems of Bhakra, Himachal Pradesh, Jammu, Punjab, Haryana, Delhi and Badarpur were integrated with Rajasthan system through the Hissar-Khetri-Jaipur 20 kV line. On August 31, this interconnected system was synchronised with the Western U.P. system at the Indraprastha Power Station through the I.P. Station-Muradnagar 220 kV line. The scope of the integrated working was further extended on September 7 when the entire U.P. system was synchronised with the rest of the northern regional grid. This is another step forward towards the formation of an All India Grid System. Such integration helps in large exchanges of power amongst the systems, better utilisation of thermal capacity, mutual assistance in times of emergency, and better frequency stability which is very important for thermal stations and in particular the Nuclear Power Station located in Rajasthan.

The installed capacity of the Northern Region including U.P. now interconnected, is 4732 MW. This region is also interconnected with Madhya Pradesh (via Chambal-Satpura System) having an installed capacity of 772 MW. Thus the total installed capacity of the entire interconnected system is 5504 MW. Hitherto part of the Western U.P. was fed radially by means of 220 kV single circuit line from Badarpur to Muradnagar. Whenever the power availability

in Badarpur was depleted, the supply from Badarpur to Western U.P. was also adversely affected. In such situations, the Western U.P. system had to be disconnected from Badarpur end and then connected to the rest of the U.P. system. This resulted in frequent interruptions in power supply to the consumers. With the paralleling of the U.P. System with the rest of the Northern Grid, interruptions in power supply to industrial and agricultural consumers would be reduced considerably. With assured power supply being available to U.P., it would be possible to further reduce the power cuts. Till now, the U.P. System was running on frequency lower than 50 cycles. After synchronising, the system frequency and voltage conditions have improved, thereby resulting in better performance of industrial equipment and improvement in production.

The power systems of Bihar, West Bengal and Damodar Valley Corporation having a total installed capacity of 3200 MW have been interconnected at 132 kV and are running in parallel. The Chandil-Joda 220 kV line interconnecting Bihar and Orissa Systems has been commissioned and the Chandil-Hatia region in Bihar is being fed radially from the Orissa System.

The establishment of Super Thermal Power Stations located in coal-mining areas, one each in the Northern, Western, Southern and Eastern Regions, during the Sixth Plan period is actively under consideration. Side by side, plans for the establishment of extra-high voltage Transmission System at 400 kV interconnecting these Stations with the State grid systems, which would tie up the Regions with high capacity transmission lines, are on the anvil. A solid National Power Grid would thus emerge by the end of the Sixth Plan period.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

PROCESS FOR DIETHYL TOLUAMIDE DEVELOPED

Diethyl toluamide is a powerful mosquito and general purpose insect repellent. There is a good demand for an effective mosquito and other blood sucking insects repellent, especially by the armed forces.

At present dimethyl phthalate is being used to some extent for this purpose but diethyl toluamide is far more effective than dimethyl phthalate.

With a view to introducing an effective mosquito repellent in the market, the National Chemical Laboratory, Poona, has developed a process for the manufacture of diethyl toluamide. The process consists of (a) preparation of toluic acid by oxidation of commercial xylene and (b) condensation of toluic acid with diethylamine. The process has been developed on 1 kg./batch scale. Xylene rich in o- and p-isomers is obtained as a by-product which can be recovered and used as a solvent. The product has been tested in field trials and found to be satisfactory. Parties manufacturing insect repellent creams as well as manufacturers of insecticides and related compounds can take up the manufacture of this basic compound and its formulations with advantage.

Xylene, butyric acid, diethylamine, oxygen, catalyst and miscellaneous chemicals are the main raw materials required for the manufacture of diethyl-toluamide. Except butyric acid all the raw materials are indigenously available.

A jacketted S.S. oxidation reactor fitted with a gas sparger, condenser and traps; filtration unit; distillation unit; tubular condensation reactor; storage tanks and pumps etc., are the major items of plant and equipment. All these are either indigenously available or can be fabricated locally.

NEW PROCESS FOR CHEMICAL RESISTANT TILES

The fertiliser and other chemical industries are among the major industries in India. Chemicals widely used in their processing include H_2SO_4 , H_3PO_4 , NH_4OH , HO_3 , H_2NCONH_2 and $(\text{NH}_4)_2\text{HPO}_4$, which cause extensive damage to the flooring. Bitumen mastic is considered to be suitable for such flooring, which is laid in situ. But the filler materials used in it are not resistant to acid and damage to floors is very common. The Central Building Research Institute, Roorkee, has recently developed a chemical resistant tile, which is strong as well as resistant to acids and

alkalies. Suitable adhesive for joining the tile has also been developed.

The novel features of the tiles are that they are strong and can be easily laid on or replaced from the floor. They are not susceptible to changes in temperature and are resistant to acids and alkalies for a considerably long period. They can be manufactured from indigenous materials and its main constituent is an industrial by-product.

Because of their high chemical resistance, they admit of a large and ready application in the various chemical processing plants and chemical warehouses. This will increase with more of industrialisation. They find ready acceptance work in the fertiliser and chemical industries and other consumers of acid and alkali as the laying of these tiles and replacement of the damaged area do not interfere with the normal working of the plant.

The main raw material is cashew nut shell liquid, a by-product of cashewnut industry. All other chemicals are available indigenously. The equipments needed are—steam jacketted stainless steel lined vessel, open mixer and heating chamber box. All these equipments are indigenously available.

As regards quality, the product meets ASTM Standard D—343 and C—581 and also I.S. specification 1307—1959.

The selection of plant and machinery and setting up the industry is the sole responsibility of the interested party. The Institute, however, provides full technical know-how and necessary help in the selection of raw materials, curing technique etc. on obtaining the licence by the interested party. The product also can be tested in the Institute.

INDIGENOUS PACKING RINGS FOR COMPRESSORS

A spare-parts indigenisation programme has been underway by National Aeronautical Laboratory, Bangalore, with regard to the Wind Tunnel Centre Compressor System, which has now been operational for 10 years.

The first item to be taken up in this programme was the impeller packing rings, made of special-quality graphite. After several unsuccessful attempts at procuring graphite material to the required specifications from Indian commercial sources, suitable material was finally located and a set of four impeller packing rings fabricated in the Model Shop for the high-compressor stage. With these indigenous rings installed, the machine has been run on full load for 250 hours with satisfactory performance. The cost of these rings was about Rs. 2,500 compared with Rs. 0.04 million for imported rings. With the background of this successful experience, all packing rings in both the compressors will be progressively replaced with indigenously fabricated rings, a potential saving in foreign exchange of Rs. 0.16 million accruing on this item alone.

IMPROVED D.C. POLAROGRAPH

Polarography is an electro-analytical method which makes use of current-voltage curves obtained with a dropping mercury electrode. The classical D.C. polarographic method has the advantage that it can be used for the analysis of elements and organic functional groups. The method is useful to analyse constituents present at concentration greater than 50 ppm. It could not, however, be applied to trace analysis (i.e., analysis of constituents present at sub ppm levels) because of the presence of a non-linear background current which is due to charging the interfacial capacitance.

The Materials Science Division, of the National Aeronautical Laboratory, Bangalore, has developed a new D.C. polarograph in which the background current is automatically compensated. This is achieved by superposing a small amplitude sinusoidal a.c. on the d.c. voltage applied to the cell and using the a.c. response to compensate the non-linear background current. This instrument has a detection limit of 0.005 ppm and a relative standard deviation of ± 2.7 percent at 0.1 ppm level.

This instrument has been used during the past 2 years for routine analysis of harmful trace elements in zinc base die casting alloys, electronic grade solvents, etc.

This instrument is not very expensive and hence can be used in industries for routine analysis.

INSTITUTIONAL CREDIT FOR RURAL AREAS

The institution of the village money lender has received a severe blow. Most States have declared a moratorium of one kind or another. Villagers who were upto their ears in debt need not repay the loans they had taken from private money lending sources. In the circumstances the money lenders may not be willing to lend money. The field is wide open to institutional credit and rural banks. Institutional credit is not a novelty for villagers. Cooperatives have been in the field for a long time now. Since 1951, the progress of cooperative credit has been very impressive. Short and medium term cooperative credit in 1951-52 was barely Rs. 240 million, and in 1971-72 it had reached to Rs. 6080 million. From 3 percent the share of cooperatives as a source of cultivator's borrowings rose to 15 percent in 1961-62 and is estimated at about 31 per cent now. More significantly, cooperative loans are increasingly being made for productive investment.

In the last few years, a major development in the area of agricultural credit has been the entry and increasing participation of commercial banks in dispensing direct agricultural credit. Rural branches of commercial banks have expanded sharply in the period following nationalisation. As against 1833 branches in rural areas in June 1969, in March 1975 there were as many as 6697 such branches. Further, in terms of the increment ratio of rural banks to over-all branch expansion, the figure during the period works out to 48 per cent. Commercial banks' direct lending to agriculture which was Rs. 540 million in June 1969 rose to Rs. 5400 million by December 1974, recording a ten-fold increase.

Commendable as the progress of institutional credit has been, the demand for it has also grown apace. Agriculture is no longer a way of life. It has increasingly become a high-yielding business proposition. The advent and increasing application of the new agricultural technology has brought this about, generating a

large increase in the demand for credit. The new technology calls for the combined application of several different inputs but the one input that can help the farmer to apply the other inputs is the financial one, namely credit. The new technology is such that it enables even the small farmer to take to new techniques. The small farmer more often than not has a credit problem of even greater intensity than his counterpart. It is to the needs of this class of farmer that particular attention needs to be paid in the course of extending institutional credit in rural areas. In brief, there is a gap between the supply and demand for rural credit. That is why the Working Group on rural banks has recommended the formation of State sponsored regionally-based and rural-oriented commercial banks. The recommendation has been accepted.

Regional rural banks will be set up in backward and tribal areas or where the coverage by commercial banks and cooperatives is relatively poor. They will serve areas with a real potential for development once

the flow of credit is assured. In States such as Assam, Jammu and Kashmir, Mizoram, and Meghalaya the new regional rural banks will cater to the peculiar problems of these areas. The organisation of the new rural bank is expected to go hand in hand with the strengthening of primary societies and the establishment of Farmers' Service Societies recommended by the National Commission on Agriculture. A target for 50 regional rural banks has been set for April 1977. The regional rural banks would extend loan assistance only to small marginal farmers, small artisans and landless labourers. They will earmark a small proportion of their funds for consumption loans which will be restricted to educational and medical expenditure.

What is needed at the village level, according to the Working Group on rural banks, is an institution which combines local feel and familiarity, with rural problems which the cooperatives possess with the degree of business organisation, ability of mobilizing deposits, access to Central money markets and modernised outlook which the commercial banks have,

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BUSINESS SUCCESS AT TEHRAN FAIR

India's participation in the Third Tehran International Trade Fair (Sept. 13 - 24, 1975) has proved to be a notable business success. About Rs. 10 million worth of orders have been finalised and Rs. 47 million worth of business is under finalisation.

There was enthusiastic response from many prominent Indian Firms, both in the public sector and private sector, to participate in the Fair. About 180 firms came forward to take part in the India Pavilion and the major emphasis of Indian display was on the engineering sector.

Among the products for which the orders were finalised are barges, air compressors, cycles and parts, workshop machinery, diesel engines, sanitary fittings, micro switches, cine projectors, bolts and nuts and thermic fluid heaters. Business under finalisation is for

more barges and cycles, bright bars, sewing machines, EPNS ware, welding machines, machine tools and hand tools. Besides, a large order for supply of 50 tractors, 100 trailers and 50 sets of implements is under negotiation. It has also been reported that for a variety of building materials business totalling Rs. 13 million approximately is under finalisation. The material to be supplied in this connection will include coal tar, enamel for coating pipes which carry crude petroleum, ACC sheets, sanitary fittings and ceramic tiles.

Apart from the business finalised or negotiated, some of the participants have succeeded in establishing firm agencies in Iran to promote business on a long term basis. One of the participating firms has reported to be negotiating business association for two project contracts namely high voltage sub-station and railway electrification. Also over 200 serious enquiries were received for a wide range of engineering and other manufactures.

India Pavilion which was visited, among others by the Iranian Ministers of Commerce and Industry as also leading business magnates of that country had attracted continuous attention in the local press. The three leading News Dailies, namely, Ettelat, Tehran Journal and Kayhan International gave liberal coverage to the exhibits displayed in the Pavilion as also the progress of negotiations. Tehran Journal for instance stated "nearly 180 firms from India mainly engaged in engineering production have come forward to exhibit their wares in Iran. Their major emphasis is on quality and competitive prices. There proven success in product modernisation and exports bears proof to their anxiety to adapt to the exacting demand conditions of sophisticated markets like Iran. Apart from attaining capability for physical exports of a wide spectrum of engineering products, India is also in a position to export consultancy services in engineering, chemicals and other sectors. Some of the firms represented in the pavilion are pioneers in supplying know-how abroad. India has a definite advantage in the context of labour intensive engineering products; diesel engines, light electricals, hand tools, automobile components, building materials and construction equipment are but a few examples that are represented in India Pavilion.... A visit to India Pavilion to find snake charmers or magic rope tricks will surely prove disappointing but the visitor will indeed have a sure glimpse of modernising and industrialising economy of India."

INDIAN KNOW-HOW FOR EXPORT

The National Research Development Corporation, New Delhi, has emerged as an exporter of technology for co-developing countries. Recently the Corporation has been entrusted with the work of implementing a number of products in the Republic of Burma. Already it is implementing a project in Philippines for producing activated carbon from wood waste. Further, it is negotiating with the authorities in Sri Lanka for transfer of technology in specified areas. There is growing interest in NRDC's technology from many countries in Asia, Africa and Latin America. Also there is interest in the process developed by the Corporation from advanced countries like the USA and the UK.

The remarkable strides achieved by the Indian economy in recent years both in terms of product diversification and improvement in industrial output has been possible due to the subtle progress achieved in the field of scientific and industrial research. In this context the role played by the National Research Development Corporation of India is note-worthy. The Corporation has to its credit a long record of achievement in scientific research in a variety of manufacturing sectors. The organisation has already invented a number of new production processes and succeeded in transferring such

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know-how to the stage of commercial production. It has indeed emerged as a body recognised nationally and internationally as a source of technology particularly for developing countries.

National Research Development Corporation of India, New Delhi, facilitates the transfer of know-how to many manufacturing concerns year after year. During 1974-75 for instance, a record number of 262 new licensing agreements were finalised for such transfer. The tempo on the developmental projects has also increased significantly under the aegis of NRDC. During 1974-75, nine projects costing Rs. 15 million are reported to be in various stages of implementation.

Also record number of 39 processes (out of which 28 are the process developed by the Council of Scientific and Industrial Research) based upon NRDC know-how went into production during 1974-75. Among these processes are Swaraj Tractor, monoethyl aniline, copper plating on stainless steel, solar water heater, paper slates, TV deflection components, VFI paper and potassium schoenite.

Among the more important items licensed by NRDC during 1974-75 are the following: Phenyl butazone, Compaction pile, Clofibrate, Nitrofen, Tetradifon, Metallic liquid air/nitrogen dewars, Potassium chlorate, Etching of aluminium foil, milling of pulses, Modified tanning infusion for E.I. leathers, Powered cycle rickshaw, Rotillor, Cresols, Resorcinol and Digital ph meter.

Nine development projects have been approved by NRDC during the year. Twenty development projects are already in progress. Among the more important projects being implemented by the Corporation are: Demonstration plant for continuous paddy parboiling system, Polycarbonates, Pearl culture, Edible protein cotton seed flour and B. naphthol. When these projects mature and come into commercial production they are bound to make an impact on the economy of the country.

NRDC has been among the foremost organisations in India promoting the concept of horizontal transfer of technology. If this concept picks up speed and is implemented purposefully, there would be a sizeable increase

in self-reliance and also reduction in royalty payments on imported technology. A number of industries, already established in the country, have offered their technologies to NRDC for horizontal transfer. NRDC would like to act only as a catalyst in this process and its services are available for horizontal transfer for establishing confidence between the donor and the receiver of technologies.

EXPORT POSITION OF PLASTIC PRODUCTS

Indian exports of Plastic Products and Linoleums registered a sizeable rise of 22 percent during 1974-75 over that of the previous year Rs. 154.83 million as compared to Rs. 126.83 million. The export performance during 1974-75 is notable in that it not only exceeded the target set for the year at Rs. 150 million, but also it was the highest ever export figure achieved by the country's plastic industry.

The principal product groups that were responsible for the export boost in 1974-75 were Plastic Moulded & Extruded Goods (Rs. 27 million as against Rs. 16 million) Plastic Imitation Jewellery (Rs. 21 million as against Rs. 19 millions), PVC Pipes & Conduits (Rs. 18.5 million against Rs. 5.6 million), Polyethylene Film Sheets and Bags, (Rs. 15 million against Rs. 11 million), Plastic Electric Accessories (Rs. 13 million against Rs. 7 million), PVC Gramophone Records, Plastic Bangles, Laminates, PVC Sheets, Spectacle Frames, PVC Leather Cloth and Metalised Plastic Products. Apart from these product groups, Plastic Fountain Pens, Hand Bags, and other PVC fabricated goods, Foam Leather Cloth and Sheeting, Polyethylene Rigid and Flexible Pipes, Nitro Cellulose Cloth and Plastic Brushes were also active on export front during the year under review.

As for Linoleums, export value during the year 1974-75 stood at Rs. 11.3 million which was marginal decline from Rs. 18 million earned in the preceeding year. Jute based Linoleums, Polylined Jute, Phenol Formaldehyde Mldg. Powder were the major items that figured prominently in the Linoleums export during 1974-75.

INDIA'S PARTICIPATION IN BERLIN FAIR

The Trade Development Authority (TDA) organised the participation of its 20 clients in the 13th Overseas Import Fair, 'Partners for Progress' held in Berlin (September 25-29, 1975). The Indian Pavilion was the biggest in the Fair, covering 320 sq. mts. among the 368 participants from 38 developing countries of Asia, Latin America and Africa, displaying a wide variety of their consumer goods predominantly textiles, handi crafts and leather goods.

TDA's clients, participating in the Fair, received as many as 147 enquiries for such products as readymade garments, home furnishings including carpets, imitation jewellery, brass and EPNS wares and surgical instruments. The success of the participation is borne by the export business booked of the value of Rs. 9.73 million on the spot, with an additional possibility of Rs. 4.5 million in respect of home furnishing items. Major share of the export orders relates to readymade garments (Rs. 5.9 million), followed by handicrafts (Rs. 3.6 million) and gem and jewellery (Rs. 0.2 million). Among the readymade garments sector, the export orders covered ladies and children's dresses, hand embroidered ladies' blouses made of crepe. In order to make the participation a success, TDA's Frankfurt office sent invitations to buyers in Europe covering leading departmental stores, mail order houses, importers and wholesalers.

INDO-IRANIAN ECONOMIC CO-OPERATION

The recent visit of Prof. D.P. Chattopadhyaya, India's Minister of Commerce to Iran has paved the way for further strengthening the ties of economic co-operation between the two countries. Pursuant to the discussions that India's Minister had with the Iranian Authorities, Iran has agreed in principle to assist India in setting up pulp and paper plants as also in the expansion of alumina plant in the State of Karnataka. Iran has also agreed to assist the Rajasthan Canal Command Area Project which is estimated to cost

\$ 300 million. India is to present a detailed feasibility report to Iran on the project.

In a joint communique issued at the end of the visit of the Commerce Minister to Tehran, it was stated that Iran had also agreed to consider the possibility of setting up a Fertilizer Factory at Paradeep in Orissa which will produce 345,000 tonnes of nitrogenous and 300,000 tonnes of phosphatic fertilizers annually.

Iran is also to place trial orders, to be followed by long-term contracts, for the purchase of Basmati Rice, Vanaspati, Jute goods, fresh fruits and several other agricultural commodities from India.

The Kudremukh Iron Ore Project also figured during the talks between India's Commerce Minister and his counterpart in Iran. It was noted that the agreement concerning the project was finalised and the necessary documents regarding financial arrangements would be decided shortly. This project envisages the export of 2.5 million tonnes of Pig Iron Ore to Iran for a period of 20 years. The project will involve development of Iron Ore Mines, augmentation of the facilities of power generation and also expansion of port facilities.

The supply of Cement and Sugar from India to Iran has been going ahead as contemplated. It was agreed by both the sides that steps should be taken to implement commodity contracts during 1976.

It was further agreed, the communique stated, that steps should be taken for implementing the contract for the supply of rails from India to Iran. The proposal that India should extend co-operation in the field of railway consultancy services, electrification programmes and road and bridge construction projects also received favourable response from the Iranian Authorities. Shahenshah of Iran, on whom India's Minister of Commerce called during his visit, expressed satisfaction, according to the communique, at the growing Indo-Iranian economic and commercial relations.

TRADE TIES BETWEEN BULGARIA AND INDIA

Bulgarian and Indian relations have always been imbued by a spirit of mutual respect and friendship. The economic and trade ties between the two countries have been built up on the basis of a long-term trade and payment agreement which is the legal foundation for widening of trade and for the development of useful economic collaboration between the two countries.

The regular economic and trade relations between the People's Republic of Bulgaria and India have their beginning in 1956, when the first trade agreement was signed. According to this the two countries conceded to one another the most-favoured nation clause.

Trade between the two countries has particularly improved during the last few years and in 1974 it increased by over three times in comparison to that of 1965.

During the last few years, Bulgarian exports to India included metalworking machines, articles of the electric industry, tractors and trailing machines, complete projects and installations, fertilizers, chemicals, pharmaceutical products, steels and non-ferrous metals and so on. Only during the period when the last long-term agreement was in force in 1969-1973, there was an export of about 500,000 tonnes of fertilizer carbamide (urea), 600 pieces of tractors "Bolgat TL-30L", considerable quantities of tetracycline, analgin, sodium nitrite and sodium saltpeter, hot rolled rolls and sheet iron and others.

At the same time the import of goods from India also increased, simultaneously changing its structure. If until a few years ago it consisted mainly of the traditional Indian goods—tea, coffee, spices, peanuts and jute articles, now Bulgaria imports various industrial products, including some specialized machines, instruments, electric household appliances, transistors, radio components, cables, insulation materials, steel ropes and fittings, abrasive and sounding equipment and so on. From India Bulgaria also imports considerable quantities of iron and manganese ores, forage components,

hides from cattle and sheep, coco products, chemicals, raw materials for the pharmaceutical industry, handicraft products and a number of consumer goods.

The government of Bulgaria granted to India a long-term credit to the amount of \$ 15 million for the delivery of complete projects. In fulfilment of this agreement, six drying factories and an albomin and gamma globulin plant (which is the first of its kind in the country) were built and put into operation. The equipment of a sulphuric acid plant has also been delivered in Sindri and its mounting is nearly completed.

In November, 1973 a Protocol was signed for the establishment of a committee for economic and scientific technical collaboration between Bulgaria and India. The signing of the Protocol was preceded by active contacts between the two countries and subsequently mutual economic collaboration has come to enter new stages.

*(Based on Article by Mr. K. Kozmov
Dy. Minister, Foreign Trade, Government of Bulgaria)*

INDO-US JOINT COMMISSION MEETS

The Second Meeting of the Indo-US Joint Commission was recently held in Washington (October 6 and 7, 1975). The First Meeting was held in New Delhi on October 28, 1974, after the establishment of the Joint Commission.

Three Sub-Commissions were set up under the Joint Commission. The Economic and Commercial Sub-Commission and the Science and Technology Sub-Commission met in Washington in January and the Education and Culture Sub-Commission met in New Delhi in February this year.

The Joint Commission discussed new ways to expand cooperation between the two countries in trade and investment, science and technology, and education and culture. The co-chairmen, Secretary of State Mr. Henry A. Kissinger and Indian Minister for External Affairs, Mr. Y.B. Chavan, commended the three subcommissions for the excellent beginning they have made in each of these fields since the Joint Commission was founded in October, 1974 during Secretary Kissinger's visit to New

Delhi. The co-chairman reviewed the constructive approaches already under way in each area and focussed on how to build on this beginning.

After hearing a report by Indian Finance Secretary, M.G. Kaul on the progress of the Economic and Commercial Subcommission in promoting trade and investment, the Joint Commission endorsed plans for a wide-ranging programme to:

Increase trade between the United States and India. This expansion is to be led by increased Indian exports to the United States of manufactured goods and modern industrial machinery and American exports to India of high technology products and capital equipment;

Stimulate trade promotion in each country through trade missions, trade shows, exhibits and catalogue shows;

Proceed with the establishment of a Joint Business Council bringing together business leaders of both countries. The first meeting is to take place in New Delhi February 2-4, 1976. Its co-chairmen are distinguished business personalities, Mr. Orville Freeman and Mr. Harish Mahindra. The Chamber of Commerce of the United States and the Federation of Indian Chambers of Commerce and Industry, together with organizations from the Indian public sector, have agreed to participate;

Actively encourage joint ventures between Indian and U.S. firms in third countries;

Continue mutually beneficial consultations on agricultural inputs. The agricultural inputs working group met in February and October 1975, and made recommendations concerning the organization of an international seminar on fertilizer usage, the encouragement of Indo-U.S. Collaboration in fertilizer projects in third countries, and Indo-U.S. cooperation in fertilizer research. The working group will meet again early in 1976; and

Conduct talks on a tax treaty between the U.S. and India in Washington on October 16-17, 1975.

The Indian delegation explained the opportunities for foreign investment in areas with high export

potential, and those involving new technology not now available in India. It is expected that these opportunities will also be actively pursued through the Joint Business Council.

Plans are well advanced for the next meeting of the Economic and Commercial Subcommission in New Delhi in March 1976, following the meeting of the Joint Business Council.

After a report by Dr. Nag Chaudhuri, Indian co-chairman of the Science and Technology Subcommission and Vice Chancellor of Nehru University, the Joint Commission confirmed the interest of both countries in intensifying cooperation in the following areas: Agriculture, Energy and Natural Resources, Health, Electronics and Communications, Environment, Exchanges of scientists and information.

More than 20 joint projects have been approved by both Governments since January 1975. The two sides noted that these projects built on the history of long cooperation between them in science and technology and are calculated to extend the practical benefits of the collaborative research of the past 15 years. The co-chairmen stressed that cooperative programmes that are implemented by agreement of the two Governments meet the test of mutual benefit and are fully endorsed by both Governments.

The Subcommission of Science and Technology will hold its next meeting in New Delhi in the first half of December, 1975.

The Joint Commission then considered a report submitted by Dr. Robert Goheen, American co-chairman of the Educational and Cultural Subcommission and chairman of the Council on Foundations in the United States.

The Joint Commission reviewed preparations for the first two joint seminars, one on "Museums as educational resources" and the other on "Methods in history, old and new." The former will be held in the United States and the latter in India. Two other seminars are being planned for 1976: "Linkages of agriculture and education" and "Educational technology".

The Joint Commission also endorsed the idea of a programme of scholarships and visitorships to enable professionals from both sides to pursue specialised studies.

The Joint Commission approved the idea of an exchange of major cultural exhibitions between the two countries. An exhibition of Indian culture and art is being planned to tour the United States in 1977. Plans call for a comparable presentation of U.S. culture and art in India in 1978.

Finally, the Joint Commission approved the establishment of a U.S. Secretariat for the Sub-Commission on Education and Culture at the Asia Society in New York City and of an Indian Secretariat at the Indian Council for Cultural Relations in New Delhi.

CONSTRUCTION CONSULTANCY IN EXPORT MARKET

The National Building Construction Corporation, a public Sector Undertaking, is poised to enter the export market in a big way with its technical know-how in the building technology. The Corporation hopes to win over Rs. 240 million global tender for the construction of phase-7 of the University of Tripoli, Libya. This expectation is based on the discussion that the top officials of the corporations recently had with university authorities in Libya.

The Corporation is also endeavouring to secure construction contracts in other oil rich countries of West Asia and Persian Gulf.



INDIAN COACHES TO WORLD MARKETS

India's railway industry has made a mark in world markets. Its export effort in 1974-75 was valued at Rs. 97.74 million.

In the context of railway coach exports, M/s Integral Coach Factory, Perambur, Madras has had an important role to play.

Having successfully executed orders for coaches and bogie for Taiwan, Thailand, Burma, Zambia and Philippines earning valuable foreign exchange for the country, ICF has become a force to be reckoned with in international coach building industry.

ICF started looking out for export orders from 1967-68 and has so far exported 66 bogies trucks to the Union of Burma Railways, 45 bogie to the Royal State Railway of Thailand, 100 bogies and 113 fully-furnished coaches to the Taiwan Railway Administration, 6 coaches to the Zambian Railways, 30 economy class passenger coaches to the Philippines National Railways and another 96 bogies to the Taiwan Railway Administration. ICF will be supplying 17 fully furnished MG railway coaches to the Tanzanian Railways during 1976-77.

The year 1971 recorded a special achievement for the ICF in the export field when an order for 113 passenger coaches to the Taiwan Railway Administration was secured against stiff competition from Japan. This was the first time when ICF firmly established itself as a leading coach builders for export requirement. The value of this order came to Rs. 39.9 million.

With experience gained in the manufacture of these 113 coaches, turning out 30 economy class passenger coaches this year for the Philippines National Railways was almost as easy as turning out coaches for indigenous requirements, though these coaches also had special features like air brakes and special interior finishing. The total value of the Philippines order was of Rs. 25 million. The value of all the export orders so far executed by ICF comes to Rs. 85 million.

ICF is now making all out efforts to secure more and more export orders and it is heartening that renowned diesel engine manufacturers of US and West Germany have sought collaboration with ICF for the export of diesel rail cars.

Originally intended for manufacturing only 350 steel shelves, the ICF has diversified its production structure to be able to produce over 600 fully-furnished coaches every year. The production capacity is sought to be made further to 750 coaches per year.

To date ICF has turned out over 10,950 shells and 8,980 furnished coaches. The total investment of the ICF is a little over Rs. 130 million, a modest investment in the present context, considering its established capacity for an annual production of over Rs. 400 million.

A few years of collaboration with M/s. Swiss Car and Elevation Manufacturing Corporation was all that was needed for ICF to reach the take-off stage. The collaboration terminated in 1961 and since then ICF has been designing and turning out various types of coaches on its own. From the simple third class coaches produced initially, more than 50 designs have been evolved over a period of time which include Broad gauge and Metre gauge coaches, Electric multiple units for the Bombay, Calcutta, Madras suburban services, diesel Rail-cars, air-conditioners rakes, 2 tire AC coaches, First class chair cars, truck recording and research cars and export coaches of different designs and gauges. At present a prototype double decker coach is on assembly belt which is designed to provide Second class sitting accommodation for 146 passengers. This coach is expected to be turned out for trials in April-May, 1976.

Apart from this, in the coming years ICF is planning to manufacture composite chair car-cum First class sleeping coaches, partial AC coaches and high density EMU coaches. ICF will also be privileged to build the rolling stock for the Calcutta Metro Railways, the design parameters of which are under study in the research, designs and standard organisation of the railways at Lucknow. These coaches are expected to be built during 1979-80. With the passing of each year, ventilation, lighting, interior decorations and, above all, riding comfort on the coaches are being improved to maintain ICF's

reputation as one of the most modern and progressive industrial units in the country.

All this diversification has been possible because of setting up of a well-equipped design office. An attached jig and tool design office caters to the development of different types of jigs and fixtures and other production aids required for facilitating the most economical production.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

RECORD SUGAR PRODUCTION IN INDIA

The production of sugar in 1975-76 has shown an appreciable increase of 850,000 tonnes as compared to preceding year. Production of sugar during this season which has just ended, is an all time record of nearly 4.8 million tonnes as compared to 3.95 million tonnes last year.

The area under sugarcane is also reported to have increased for the season 1975-76. As part of the Government's 20-point programme and the relentless effort to hold the price line, Government had stepped up the monthly sugar release for internal consumption from a level of 250,000 to 260,000 tonnes per month to 335,000 tonnes during the months of September and October 1975. The carry-over of stocks by the end of September was about 1.2 million tonnes. After accounting for the sugar requirements for internal consumption during October and November, the Government was left with enough sugar to meet export commitments.

Export of sugar is one of the single biggest foreign exchange earners for India now. The sugar exports during 1974-75 was of the order of 681,000 tonnes which was roughly three times the average of past exports from the country. The export earnings in 1974-75 were more than the combined earnings from sugar exports for the previous two decades. From 1.7 per cent of the value of India's total exports during 1973-74, the sugar exports now contributed over 10 per cent of the total exports during 1974-75. India occupies pride of place now as a major sugar exporting country in the world.

The capacity of the sugar industry has been progressively raised from nearly 1.5 million tonnes of annual sugar production at the commencement of the First Plan to nearly 4.23 million tonnes by the end of the Fourth Plan (1973-74). To meet the increasing demand for sugar both for internal consumption as well as for exports the sugar production capacity is likely to go up to 6 million tonnes by the end of Fifth Plan (1978-79) in order to have an actual sugar production of 5.7 million tonnes by that year.

The present installed capacity of the sugar industry in India is about 4.5 million tonnes. In order to achieve the target of 6 million tonnes, the installed capacity needs to be raised by another 1.5 million tonnes. This is sought to be done, thanks to the concerted and determined efforts of the entrepreneurs and the newly licenced sugar factories.

EXPANSION OF DEEP-SEA FISHING

India is to add 30 trawlers to her deep-sea fishing fleet. The new trawlers are being acquired from Mexico with which negotiations have just been concluded. These negotiations were held in pursuance of the collaboration agreement in the field of industry and trade finalised during the Mexican President's visit to India.

The trawlers, which are being bought at a cost of Rs. 100 million, will operate on the eastern and western coasts. The new trawlers will add over 16,000 tonnes of fish to the annual catch of shrimp and are thus expected to boost India's export of marine products.

Arrangements have also been made for collaboration between India and Mexico for the construction of trawlers in India. An Indian firm is now negotiating such an agreement with a Mexican party.

In order to enable small and medium firms and individuals to buy these trawlers, the scope of the Shipping Development Fund has been enlarged to provide them

soft loans for the purchase of fishing vessels. Preference in allotment will also be given to the State Fisheries Corporations.

At present India has 60 commercial trawlers in operation along the Indian coasts. These are in addition to mechanised boats which also do trawling operations.

NEW RECORD IN RICE PRODUCTION

India's Rice Production in the current year's Khariff (Summer) crop is expected to reach an unprecedented level of 50 million tonnes, over 9 million tonnes more than the previous record of 40.67 million tonnes in 1973-74. A modest estimate would however place the output between 45 million tonnes and 48 million tonnes, which also will be an unprecedented record.

In some parts of U.P. and Bihar, Orissa and Punjab the Khariff crop was no doubt damaged by floods but notwithstanding this, the over all expectation is that of massive output of rice in the season. Abundant rainfall is stated to be the largest single cause of the boost in the rice production. More high-yielding varieties and more pesticides have also been available this year.

BANK ACCOUNTS FOR INDIAN RESIDENTS ABROAD

According to recent instructions issued by the Reserve Bank of India (Exchange Control Department), the non resident (external) accounts maintained by the Indian Nationals resident abroad would be converted into resident accounts when the party returns to India. The rupee funds in the account would then become non-convertible. As the balance in the amount on the date of its conversion into a resident account represents the net amount of foreign exchange brought in by the account holder, it has been decided that the Reserve Bank may allow on application, conversion facilities to these balances. The new facilities will however not be available to persons who are in employment abroad with any Indian

owned organisation. Thus the account holder can avail himself of any of the three following facilities : (a) conversion of the balance into foreign currency when he leaves India within three years (b) conversion of the amount into a non-resident (external) account after the person's departure from India within 3 years, provided no local rupee credits have been made into the account in the meantime and (c) opening of a fresh non-resident external account, after his departure from India within 3 years, upto the value limit of the balance as at the time of initial conversion of amount into a resident account.

The Account Holder may avail himself of the facility that has been approved in principle by the Reserve Bank as above within a period of 3 years (from date of his return to India), he leaves India so as to become a non-resident for exchange control purposes once again.

Apart from the above instructions, the Reserve Bank has also issued regulations on foreign currency accounts. Indian Residents abroad desiring to return to India for securing suitable employment or for exploring the possibilities of setting up small Scale Industrial Unit will be granted exemption, for a period of 3 years or the date of their return to India, from the usual exchange control requirement that they have to surrender their foreign currency balance within 30 days of their arrival in India. Persons wishing to avail of this exemption will have to apply to Central Office of the Exchange Control Department of Reserve Bank of India, Bombay. Wherever the exemption is granted, the persons concerned will be prompted to make use of the foreign currency balance held by them to pay for imports of equipment and other capital goods for which import licences may be issued to them, they will also be able to utilize small amounts from the balance for their personal requirements. Persons holding foreign currency balances which represent their earning out of employment with any Indian owned organisation will not however be eligible of the benefit of this exemption.



INDIA AT TELE-COMMUNICATION EXHIBITION IN GENEVA

Some of India's best Tele-equipment is on show at the Tele-Communication — 75 Exhibition which is being organised in Geneva. Over 40 countries are participating in the exhibition. India's Minister of Communication, Dr. S.D. Sharma was present at the inaugural ceremony of the exhibition, representing India. The Indian display at the exhibition includes electronic mini-exchange (PAPX), which is expected to roll out from the Palghat Plant of Indian Telephone Industries, Micro Wave Equipment used on long distances route and co-axial equipment with 2700 telephone channels. India's Minister of Communication is also to visit Hungary, Sweden, U.K. and France to Exchange views on utilising the latest advances in tele-communication technology.

Already the tele-communication industry in India is active on export front. A wide variety of telephonic and telegraphic equipment is on sale to even advance countries of Europe.

ELECTROLYTIC IRON POWDER FROM IRON CHLORIDE SOLUTION

The Regional Research Laboratory (RRL), Bhubaneswar, (Orissa) has successfully developed a process for producing electrolytic iron powder from iron chloride solution. Iron powder is used in automobile, electrical, electronics and metallurgical industries, and the byproduct chlorine is used in paper, rare earth, metal and other industries.

The process consists in converting the acid-free iron chloride, wholly to ferrous chloride. This ferrous chloride is used as a catholyte and saturated sodium chloride solution is used as an anolyte. The anode and cathode chambers are separated by suitable porous diaphragm. Stainless steel sheets and graphite are used as cathode and anode respectively. Some additives are added to the catholyte to make electrolysis continuous and also for obtaining high-purity iron powder. The iron deposited is removed in the form of brittle flakes, which are subsequently ground to the desired size.

RECENT TRENDS IN DIRECTION OF INDIA'S FOREIGN TRADE

Region/Countries	(Rs. in million)		
	1972-73	1973-74	1974-75
I. Africa	10.112	1017.3	2350.6
1. Sudan	207.1	185.9	664.6
2. Arab Rep. of Egypt	317.2	148.8	524.5
3. Nigeria	96.5	114.9	216.1
4. Kenya	55	102.8	148.5
5. Zambia	47.2	38.2	95.2
6. Tunisia	17.2	11.9	95
7. Tanzania, United Republic	30.1	69.1	91.7
II North America	3039.4	3770.1	4198.4
1. U.S.A.	2757.4	3459.2	3757.9
2. Canada	282	310.9	440.5
III. Latin America	42.8	121	197.8
1. Arzentina	7.7	64.2	106.3
2. Brazil	4.9	22.5	33.1
IV. Asia & Oceania	6419.4	8799.5	11947.5
(a) ESCAP	5680.5	7379.5	9058.4
1. Japan	2171.6	3587.5	2952.5
2. Iran	247.7	428.3	2144.7
3. Australia	259.8	507.8	612
4. Indonesia	53	267.8	509
5. Nepal	350.7	301.3	424
6. Bangla Desh	1682.4	587.8	422
7. Singapore	178.4	435.4	367.9
8. Malaysia	93.4	246.3	280.9
9. Hongkong	201.4	361.9	272.3
10. Sri Lanka	259.8	507.8	612
11. New Zealand	82.5	135.5	207.3
12. Afghanistan	125.2	150.7	145.4
(b) Other Asian & Oceanian Countries	738.9	1420	2889.1
1. Iraq	109.8	203.4	726.9
2. Dubai	80.2	223.5	397.1

3. Kuwait	149.5	212.9	381.4
4. Saudi Arabia	121.4	261	354.3
5. Bahrain Islands	31.1	89.5	93.8
6. Abu Dhabi	13	35.8	45.6

V. East European Countries

	4697.3	4879	6811.6
1. U.S.S.R.	3048.2	2860.2	4181.7
2. Poland	441.8	516.8	774.1
3. Czechoslovakia	461	437.9	603.7
4. German Dem. Rep.	151.1	219.1	344
5. Yugoslavia	124.4	238.6	297.3
6. Rumania	159.4	151.6	245.1
7. Hungary	122.8	240.4	194.6
8. Bulgaria	188.6	213.6	171.1

VI. West Europe

(a) E.C.M.	4077.2	6089.4	6894.5
1. U.K.	1725.3	2631.4	3070
2. Fed. Rep. of Germany	622.8	867.9	1054.3
3. France	459	497	847.4
4. Netherlands	354	733.4	709.6
5. Italy	488.3	693.5	521.4
6. Belgium	301.3	444.5	518.4
7. Denmark	56.8	130.7	97.1
8. Ireland	69.5	90.9	76.2

(b) E.F.T.A. Countries

	278	329.9	376.5
1. Switzerland	79.3	123	160.1
2. Sweden	161.6	144	156.9
3. Norway	26.5	47	39.8

(C) Other European Countries

	121.1	202.1	229
1. Turkey	52.1	38.4	87
2. Spain	39.7	115.1	84.6
3. Greece	16.9	23.1	30.9
4. Finland	10.4	22.5	21.7

Grand Total Incl.

export to other

countries	19708.3	25234	33041.4
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(Source : Department of Commercial Intelligence and Statistics, Calcutta)

FURTHER OIL PROSPECTS

The prospect of finding crude oil in continental shelf has further raised India's hopes to explore sizeable quantum of indigenous crude. The area is considered so good that Bombay High may well be only a pinpoint in comparison. It is estimated that Bombay High has crude oil reserves of around 200 million tonnes. The location of the new oil fields and the prospects of finding large reserves are bright.

In view of the potentiality of the new oil bearing structure in the continental shelf, a separate project will be formed to undertake exploration work under the over all supervision of the Oil and Natural Gas Commission of India. The unit will explore the new structures 56 kilo metres north-west of Bombay High and yet another large structure about 100 miles west of Bombay High. The new structure will be surveyed by the seismic ship of ONGC. It is possible that another seismic ship will be procured for exploration in the new structure. After knowing the results of these surveys, which are expected to come out within three months, the drilling programme will be finalised in the two structures, initially to determine the reserves and if oil is found to start production.

The new project to be set up will do only exploratory work in these two structures so that the present set-up of ONGC in Bombay High is not disturbed from their production endeavours.

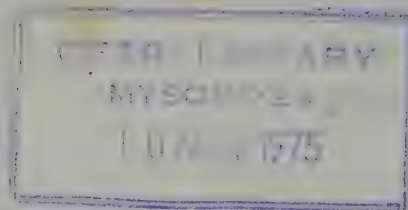
From Bombay High, the Oil and Natural Gas Commission are getting set to establish an annual production of 1.5 to 2 million tonnes of crude oil.

The first stage of development of Bombay High field envisages the drilling of 14 to 16 wells. To implement this programme, the commission have placed orders with a foreign concern for a turnkey job including the fabrication and installations of the submarine pipeline system as well as installation of four wells-cum production platforms, the supply and installation of the submarine pipeline system as well as installation of two buoy moorings which have already been ordered from a Dutch firm.

Six exploratory wells have been drilled on the Bombay High structure so far, all of which have proved to be oil bearing. It is expected that ultimately about 100 production wells will be drilled in Bombay High so that rich oil field is speedily exploited and self-sufficiency achieved.

India has 3,90,000 sq. km. of continental shelf which has been divided into 10 blocks for the purpose of oil exploration.

With Bombay High going into production next year, indigenous production is to increase to 9 million tonnes in 1976.



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OVERSEAS INTEREST FOR INDIAN INSTRUMENTS

A wide variety of scientific, medical, optical, measuring and controlling instruments are exported from India to the world markets. During 1974-75, the value of these exports was Rs. 32.7 million as against Rs. 23 million in the preceding year.

M/s. Instrumentation Limited, Kota, a public sector undertaking of India, has come to make a mark on the export front. Besides securing sizeable orders from abroad for its manufacturing range, this undertaking is presently engaged in erection and commissioning work for two projects in Malaysia. The organisation is also bidding for contracts for instrumentation schemes on a turnkey basis in several other countries.

During the seven years of its existence, the Company secured a total business of Rs. 370 million upto March

1975. It secured orders worth Rs. 105 million in the year 1974-75 alone.

The firm has today achieved a leading position in India in the field of instrumentation and has supplied its products on turnkey basis to key sectors to the Indian economy like power projects, steel projects, petrochemicals, fertilizers, paper and cement industries.

As a measure of diversification, the Company has taken up a scheme for the manufacture of gas analysers and assessories in the line of pollution control instruments, the entire requirement of which is presently met by imports. The manufacture of these new items is to start from 1976-77. The Company is also taking steps to modernise its existing product range of Kota unit.

BIG JUMP IN EXPORT OF ELECTRICAL MACHINERY

India's export effort in the line of electrical machinery, apparatus and appliances has resulted in doubling the value of foreign exchange earned during 1974-75 as compared to the previous year. The export value improved to Rs. 563 million as against about Rs. 288 million. Most of the project groups in the electrical sector have been responsible for this encouraging export performance.

Electrical power machinery and switch gears, for instance, secured Rs. 146 million during 1974-75 as compared to Rs. 74.5 million in 1973-74. Complete generating sets with diesel engines, AC squirrel coil induction motors (3 Phase 1 HP to 100 HP and over), electric motors and accessories, transformers of varied ratings, choke coils and so on were among the long list of electrical machinery exported by India. Complete generating sets with diesel engines were supplied mainly to countries like Muscat, Malaysia, Mauritius, Tanzania, Libya and Singapore. Induction motors have been supplied among others to New Zealand, Zambia and Thailand. Even advanced countries like the German Federal Republic, UK, USA and USSR, besides Sri Lanka, Indonesia, Malaysia and Arab Republic of Egypt were the customers for other varieties of electric motors made in India. Transformers of various ranges have been exported to mainly Malaysia, Kenya, Dubai, Zambia and Thailand.

Equipment for distributing electricity is another line in which the electrical industry in India has achieved substantial improvement in export business. This equipment fetched Rs. 150 million in 1974-75 as compared to hardly Rs. 62 million in the preceding year. In this group, the prominent items of supply have been insulated wires and cables, electrical insulating equipment such as porcelain discs and electric conduit tubing.

Insulated cable supply overseas fetched as much as Rs. 133 million in 1974-75 and during the year these were exported mainly to countries like USSR, Kuwait, and Malaysia. Incidentally Sweden was the largest customer for insulated cables of paper, rubber, plastic and copper

binding. Tele-communication apparatus is yet another line of Indian exports which has been receiving larger overseas demand year after year. In 1973-74, this apparatus fetched Rs 446 million while in the year that followed, the export value was Rs. 65 million. Transistor radio receiver sets were exported to the tune of Rs. 28 million during 1974-75 and they were exported to as many as 65 countries in the world. The customers included Nigeria, Hungary, Ethiopia, UK, Bulgaria, Panama Republic and Netherlands. Besides, substantial export business is effected for other radio receiver sets and component parts too. Indian industry has emerged

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INDIA IN THE WORLD EXPORT MAP

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as an important supplier overseas of telegraph apparatus and instruments, telephone instruments, microphones, amplifiers and so on.

Export trade in domestic electric equipment was more than doubled during 1974-75 to reach a value of Rs. 82 million as compared to 32 million in 1973-74. Domestic refrigerators are sold to Kuwait, Iraq and Poland mainly, while domestic electric appliances such as air-circulators, domestic washing machines, portable blowers, domestic room heaters and water heaters have also been prominent in the export trade. Special mention however may be made of Indian electric fans which have already entrenched in the world on a lasting basis. Ceiling fans of India, for instance, secured foreign exchange worth Rs. 63 million in 1974-75, the main importers being Iraq, Kuwait, Nigeria, Muscat, Saudi Arabia, Sudan, Australia and Dubai.

Besides the above electric items, Indian economy has also come to export substantial quantities of electric apparatus for medical and radiological purposes. More over batteries and accumulators constitute an important segment of the export effort in the electrical industry of India. These exports totalled Rs. 56 million during 1974-75. Nepal, German Federal Republic, France, UK, USA and USSR were among the leading customers mainly for Dry Cell Batteries.

Electric lamps which fetched over Rs. 13 million in the export market mainly comprised fluorescent tube lamps, mercury vapor lamps and other electric discharge lamps as also electric lamp parts.

Electrical industry in India is one of the best organised in the developing parts of the world economy. The heavy electrical sector in India particularly in the public sector projects has carved a niche in world export map particularly in the context of undertaking turnkey projects for power generation and distribution. There is a long list of achievements by the heavy electrical industry of India in winning over global tenders in the face of severe competition from even advanced countries, both in terms of specifications and delivery, costs and quality.

INDIA'S CHEMICAL EXPORTS NEARLY DOUBLED

The export earnings of India's Chemical and Allied industries reached a high peak of Rs. 1037 million in 1974-75 as compared to Rs. 582 million in 1973-74. Almost all the branches of the chemical industry contributed to this export dynamism.

Organic Chemicals for instance, improved their foreign exchange earnings from Rs. 80 million to Rs. 83 million. Among the prominent items exported in this group are Anthr Quinone (mainly to Japan, German Federal Republic, U.S.A. and Italy), Acetic acid, Betanone (principally to U.S.S.R. and Japan), Benzanthrone (to German Federal Republic and U.S.A.), Beta Hydroxy Napthoic acid (to U.K., U.S.A., and Canada) and Diamino Autarquinon (to Japan, Italy and Switzerland).

The group of inorganic chemicals earned about Rs. 190 million in 1974-75 as compared to nearly Rs. 95 million in the preceding year. The export composition of the inorganic chemicals mainly comprise Carbon Black, Hydrochloric acid, Sulphuric acid, Metallic oxide used in paints, Bleaching powder, Aluminium Sulphate, Sodium Carbonate and so on.

The export value of Carbon black alone was of the order of Rs. 11 million and this was mainly supplied to Sri Lanka, Kenya and Thailand. Dubai was the principal customer for Hydro-chloric acid followed by the Saudi Arabia and Qatar. Caustic Soda which is another important item of export, is supplied essentially to co-developing countries like Bangla Desh, Mauritius and Saudi Arabia, Malaysia followed by Arab Republic of Egypt, Qatar, New Zealand. Kenya has been the principal buyer of bleaching powder from India.

Yet another product group, dyeing, tanning and colouring materials fetched Rs. 230 million in 1974-75 as against their export value of Rs. 115 million in the preceding year. The overseas supply of pigments, paints and varnishes nearly trebled to Rs. 92 million from Rs. 33 million, while Synthetic organic dye stuffs, natural

indigo and Colour lakes received Rs. 138 million as compared to Rs. 81 million.

Medicinal and Pharmaceutical products earned Rs. 227 million in 1974-75 as against Rs. 150 million in the preceding year. In this group, Antibiotics (Rs. 24 million) were essentially supplied to Hong Kong (Rs. 4 million), German Federal Republic (Rs. 1.2 million) and Yeman Arab Republic (Rs. 1.2 million). Medicines (Rs. 133.4 million) were supplied essentially to U.S.S.R. (Rs. 15 million), Indonesia (Rs. 3 millions). Pharmaceutical goods fetched Rs. 31 million.

The essential oils fetched Rs. 93.2 million in 1974-75 as against Rs. 63 million in the preceding year. In this group Eucalyptus oil (Rs. 7 million) was mainly supplied to U.K. (Rs. 6 million). The export of Lemon grass oil earned Rs. 9 million. Sandalwood oil (Rs. 71 million) was essentially supplied to France (Rs. 12 million) and USA. (Rs. 24 million).

FOREIGN EXCHANGE FROM CASTOR OIL

With Soviet Union as the major customer, India's Castor oil Exports to the world markets totalled Rs. 138 million (20 million kg.) during 1974-75. The import value of USSR was of the order of Rs. 68 million (9.3 million kg.). Next to USSR, the other important importers were the UK (Rs. 22 million), USA (Rs. 17 million) and Czechoslovakia (Rs. 18 million). Sizeable quantities of Castor oil were also supplied to Australia, Japan and New Zealand.

India's total export of fixed vegetable oils during the year 1974-75 was of the order of Rs. 335 million. Next to Castor oil, the important line of export is that of linseed oil for which the principal importers were the UK, Sweden, Netherlands, Czechoslovakia and Australia. The export earnings from the sale of linseed oil totalled Rs. 167 million in 1974-75, of which the UK's share was of the order of Rs. 91 million. In terms of quantum, the total exports were nearly 20 million kg. of which UK imported over 11 million kg.

Cashew Shell Oil is another important vegetable oil supplied by India. Its export value during 1974-75 was Rs. 17 million, the major customers being UK, Japan, USA, and Rumania.

India also exports Ground Nut Oil, Coconut Oil, Sal Oil and Kum Kum Oil.

Besides the above stated export position of vegetable oils, the export performance of oil cakes is in fact, of great significance. The total export effort of the Oil Cakes and Meal during 1974-75 was of the order of Rs. 957 million. Solvent extracted Ground Nut Oil Cake is the most important variety supplied abroad. This item earned foreign exchange worth Rs. 743 million during 1974-75, the major importers being USSR, Czechoslovakia, Japan, German Democratic Republic, Hungary, Netherlands and German Federal Republic. Solvent Extracted Seed Oil Cakes (Decorticated) have also been active on export front and they secured foreign exchange of more than Rs. 122 million. Here again the East European Countries particularly Poland, Czechoslovakia, German Democratic Republic and Hungary were the principal customers. De-oiled rice bran which was supplied mainly to Netherlands and Singapore fetched Rs. 45 million of foreign exchange during 1974-75.

INDIA'S SPORTS GOODS SHOW IN COLOGNE

India recently completed a highly successful participation in the Sports Goods Fair (SPOGA 75) held in Cologne from September 28 to 30, 1975 under the aegis of the Sports Goods Export Promotion Council. Thirty Indian Firms including U.P. Export Corporation, Punjab Directorate of Industries displayed their products at the Fair. The products exhibited ranged from footballs, hockey sticks, rackets to saddlery, harnesses, sports shoes and sportswear.

In terms of business, on-the spot bookings totalled Rs. 8.5 million. Further on the basis of orders under negotiation, it is estimated that additional exports worth approx. Rs. 10 million may materialise. Some potentially

vital contacts are stated to have been made too. There was heavy demand for Indian footballs, rackets and hockey equipment. Saddlery which was introduced in the Fair last year also moved well. Potentially good enquiries were also received for sports shoes which was a novelty item in this year's Indian participation. More than 3,000 specialist buyers visited the Indian pavilion spread over an area of approx 290 square metres. Buyers mainly came from Federal Republic of Germany, Netherlands, Belgium, Denmark, Sweden, UK, Poland and Hungary. Additionally local interest was also generated and the Indian stalls received suitable publicity.

Better business results achieved at SPOGA 75 reflect the International acceptance of India's developing stature in the field of sports goods.

ENGINEERING TRADE DELEGATION TO U S A

A seven-man Engineering Trade Delegation sponsored by the Engineering Export Promotion Council completed its 23-day visit to the U.S.A. recently. The delegation led by Mr. J.P. Das, Director in the Ministry of Commerce visited major industrial-cum-trade centres in the U.S.A. and had useful discussions with various Chambers of Commerce, Trade Associations, leading importers and Department Stores. The delegation also met the high ranking officials of the US Department of Commerce and World Bank in Washington, D.C.

Although the delegation's primary objective was to investigate and study the U.S. market and recommend appropriate action to step up the exports of engineering products to the US market, the delegation was able to book actual orders amounting to approximately \$ 0.5 million (Rs. 4 million approx.) for hand tools, tension bars, anchor bolts and castings. Further business totaling approximately US Dollars 30 million (about Rs. 24 million) is under negotiation and is expected to be finalised soon. There was considerable interest in obtaining industrial castings, various categories of hand tools and mechanical work shop supplies from India. The delegation also noted that there was a growing awareness

in the USA that India should be the major source for supply of iron and steel based labour intensive products. Based on its findings during the visit, the delegation felt that the target set by the Engineering Export Promotion Council for exports to the US market during the current financial year could not only be easily achieved but also substantially exceeded.

EXPORTS AGAINST COMMODITY GRANT TO BANGLADESH

The Government of India have recently revised the list of commodities and the ceilings upto which the exports of these commodities will be allowed to Bangladesh against commodity grant of Rs. 20 million extended by the Indian Government to Bangladesh.

Out of the Rs. 20 million grant, exports of boulders and ballasts will be allowed to the tune of Rs. 5.73 million approximately, tobacco Rs. 6 million; wheat, paddy and other seeds Rs. 3 million, salt worth Rs. 2.1 million, stones and ballasts Rs. 2 million and timber Rs. 450,000. It has been decided that the credit under this commodity grant would be extended upto the end of December, 1975.

It has also been decided that against an earlier commodity credit of Rs. 100 million for the year 1974, a few items be added for eligibility of export to Bangladesh. These include aluminium tubing for jute bobbin industry and tobacco for cigarette industry.

Correction

In issue No. 38, Vol. V of this Weekly dated September 20, 1975 (Page no. 5), Indian exports to Zambia were shown to have increased from Rs. 3.82 million in 1973-74 to Rs. 9.43 million in 1974-75. These figures should read Rs. 38.20 million and Rs. 94.30 million respectively. The error is regretted

EIGHT-FOLD INCREASE IN SUGAR EXPORTS

India's export earnings from sugar which were only Rs. 429 million in 1973-74 increased nearly eight-fold to reach unprecedented level of Rs. 3397 million in 1974-75.

Refined cane sugar and centrifugal sugar two principal varieties were responsible for this miraculous improvement in the over-all exports of the sugar. Refined cane sugar was exported to the tune of 591,155 tonnes to secure Rs. 3054 million in 1974-75. The most important customers for this item were Iran (274060 tonnes at Rs. 1418 million) followed by Sudan (85,340 tonnes at Rs. 452 million), Arab Republic of Egypt (36850 tonnes at Rs. 199 million), Yemen Arab Republic (23100 tonnes at Rs. 121 million), Jordan (23100 tonnes at Rs. 115 million), Indonesia (68150 tonnes at Rs. 346 million), Morocco (22400 tonnes at Rs. 115 million) and Saudi Yemen People's Republic (22453 tonnes at Rs. 113 million).

Centrifugal sugar was principally supplied to USA, UK and Iran to fetch a total of Rs. 336 million (103,633 tonnes), USA's offtake was about 74730 tonnes at a value of Rs. 258 million.

Apart from the above principal varieties of sugar supplied abroad, India has also established in the world market for the export of cane zaggery, cane sugar, candy and molasses. Production of sugar cane during 1974-75 was estimated at 14 million tonnes and the area under sugar cane in the same year was estimated 2720 hectares.

CEMENT EXPORTS IMPROVE

As compared to Rs. 25.1 million in 1973-74, Indian supplies of cement abroad secured Rs. 86 million in 1974-75, the quantity-wise improvement was from 160747 tonnes to 301770 tonnes.

The major exported variety is portland grey; its export sale rose from 160618 tonnes in 1973-74 to 300222 tonnes in 1974-75. The foreign exchange earnings from this variety improved from Rs. 24.9 million to Rs. 85 million in 1974-75. The principal importer whose large demand was responsible for the large supply of cement from India in 1974-75 was Iran. Iranian purchases were mainly for portland grey (220960 tonnes valued at Rs. 63 million). Next in importance were Dubai, Nepal and Bangladesh.

Besides portland grey, India also exports sizeable quantity of portland white and portland colour and also portland hydraulic cement. The another group of cement and fabricated material (barring glass and clay material) fetched foreign exchange worth Rs. 110 million in 1974-75 from Rs. 36 million in the preceding year. Building material of asbestos cement particularly asbestos pipes

and sheets have also been active on India's export front. Altogether these building materials secured an export value of Rs. 22.4 million in addition to the cement exports mentioned above. The asbestos pipes were principally supplied to Dubai and the sheets to Dubai, Kenya, Abu Dhabi and Nepal.

PERSPECTIVE ON COFFEE EXPORTS

Indian exports of coffee registered uptrend and fetched Rs. 513.55 million in 1974-75 as against Rs. 460 million in 1973-74. Arabica plantation varieties have been most popular in the world markets. Arabica plantation (a) secured foreign exchange worth Rs. 140 million while Arabica plantation (b) Rs. 32 million. Other Arabica plantation grades were exported to the tune of Rs. 47 million and Arabica Cherry Rs. 82 million. The most important buyers of Arabica plantation varieties have been USSR, Yugoslavia, Czechoslovakia, Rumania, USA and German Democratic Republic. Robusta Parchment and Robusta Cherry have also been in great demand abroad. USSR, Australia, Czechoslovakia, Netherlands, Italy and German Democratic Republic, were the best markets for Arabica Parchment while USSR, Australia, Italy, Greece, German Democratic Republic and USA were the principal buyers of Robusta Cherry from India in 1974-75. In terms of quantity the various grades of coffee exported by India in 1974-75 were as follows: Arabica plantation (a) 11.82 million kg; Arabica Plantation (b) 2.6 million kg; Arabica plantation (other grades) 5 million kg; Arabica Cherry about 8 million kg; Robusta Parchment 2.8 million kg; Robusta Cherry 1.9 million kg. Thus a total quantity of 4.9 million kgs. or 49260 tonnes of coffee were sold by India during 1974-75.

The present area under coffee cultivation in India is 139,480 hectares consisting of 84,360 hectares, under Arabica and 55,120 hectares under Robusta Coffee.

Although India has earned reputation over the world for its quality of coffee and is establishing credibility for her timely supplies, the quantity exported is not so substantial as compared to indigenous production and world demand. This is mainly due to the controlled mechanism under the quota system by the International Coffee Council. This controlled system was removed for sometime and during this period Indian exports had doubled. The International Coffee Council has decided to revive the International Coffee Agreement effective from October 1, 1976. Thus the control mechanism of the quota system for all the countries would be re-introduced, although the final details of the agreement have not yet been worked out.

In view of its strong export capacity and assured world market, India would advocate for doubling her export quota at the forthcoming International Council meeting scheduled to be held during November in London.

NEW FOUNDRY FORGE TAKING SHAPE

Specialising in the production of forgings and castings involving stringent technical requirements and complexity of shapes, the new Central Foundry Forge Plant of Bharat Heavy Electricals Limited is fast taking shape in the vicinity of the Heavy Electricals Equipment Plant of BHEL, Ranipur-Hardwar (U.P.). The plant is being set up in technical collaboration with a firm of international repute, M/s. CREUSOT-LOIRE of France.

The Forge Shop, the construction of which has been just inaugurated, will be the main shop where steam turbine rotor forgings and moving wheels (discs) for 200 MW, 120 MW and 110 MW unit sizes as also hydro-turbine items and motor shafts will be produced. With the establishment of the forging facilities, intricate components for nuclear reactors and other sophisticated items for atomic power plant and defence requirements can be catered for. The major equipment in the forge shop is a 2500-tonne forging press with sophisticated heat-treatment facilities. The shop is scheduled to commence production towards the end of 1977.

The construction of the Foundry Forge which was inaugurated in October 1974 has made much headway and is nearing the goal of completing the construction within 36 months. The construction of the Steel Melting Shop is expected to be completed by March, 1976. Complete equipment for this shop has been ordered and a number of cranes, furnaces and other important items of plant and machinery have already arrived at the site and are in the process of erection and installation.

In this construction work, even the detailed engineering has been undertaken by the Project authorities concurrently with the construction work. This has saved considerable expenditure which would have to be incurred if the detailed engineering work had been entrusted to a consultancy firm, as is the normal practice.

The Forge Shop, on which construction is now commencing, will produce shaped forgings (black) to the extent of 4,550 tonnes and Semis and Blooms to the extent of 4,000 tonnes.

Latest technology has been utilised whereby the revolving rotor forgings will be cooled by automatically controlled sprays of water to achieve the needed strength and toughness under high-speed and high-temperature service conditions. This technology will be used for the first time in India.

With the establishment of full production in this Plant, an annual saving of Rs. 190 million in foreign exchange is expected to be achieved and a dependable source of critical castings and forgings for the heavy electrical industry, so vital to meet the growing power demands of the nation, would be available.

COMMISSIONING OF LARGEST RATING HYDRO-GENERATOR

Though not the largest machine being manufactured in India, the Hydrogenerator for Koyna (stage III) Power Station which has been recently commissioned, represents the largest rating operative so far. This Hydrogenerator has been supplied by M/s. Bharat Heavy Electricals, Bhopal and is rated 88.9 MVA, 80 MW, 0.9 p.f., 11 KV, 214.3 rpm.

This machine is the 21st machine to be brought into operation by Bhopal and the 6th in the past six months.

The Hydro generator which has been commissioned at Koyna is the first of the 480 MW Hydro generator Machine for this power station. The design features have taken into account the earthquake-prone conditions of the site. The machine has been designed to withstand an acceleration due to earth quake of 0.6 g in any direction. Special braces have been added to the top bracket. The oil and pipe connections to the machine are through flexible joints. The foundations have been adequately strengthened. For this station, two similar

machines have already been supplied and one more is on the way. Besides these four machines, Bhopal will be supplying two more hydrogenerators of 18 MW rating each for the Koyna Dam Project which is also part of the Koyna River Scheme.

PROGRESS AT SINDRI FERTILIZER UNIT

The Sindri unit of the Fertilizer Corporation of India has come to establish new records of production, exceeding the targets set particularly for the manufacture of nitrogen. The Sindri unit has achieved the performance notwithstanding the definite disadvantage of an ageing plant. The Sindri unit has undertaken two important projects with a view to modernising its plant. A Rs. 444 million rationalisation project envisages production of 326,000 tonnes of Phosphatic fertilizers. The second project relating to the modernisation of Sindri unit is to be put at a cost of Rs. 1420 million. In this project, an ammonia plant and an urea plant are sought to be set up to enable Sindri unit to establish its present rated nitrogen capacity.

INDIA IN THE WORLD EXPORT MAP

There has been an impressive growth of India's export trade during the recent years. In the decade 1961-62 to 1971-72 the average annual rate of growth was 4.1 percent. During 1972-73 and 1973-74, the rate of growth reached 22.5 percent and 28 percent respectively, while in 1974-75 the export value stood at an unprecedented level of Rs. 33,040 million indicating a 33.6 percent increase over the preceding year's Rs. 25,234 million. Barring 1972-73, the country's import bill always exceeded its export earnings. The import value rose by 58 percent in 1973-74 at Rs. 29,554 million and by another 51 percent in 1974-75 (Rs. 44,681 million). The volume index of India's exports in 1974 indicated an increase of

nearly 10.9 percent over 1973 and the unit value rose by about 25 percent. Also the quantum increase in the country's export trade in 1974 was almost double the growth rate of world exports.

Currently India has established trade and economic relations with more than 60 countries of the world, spread over all the continents. The latest issue of the Journal of Industry & Trade published by the Ministry of Commerce has delineated the trade relations with 30 countries.

Although Indian Exports to and Imports from *Algeria* are not yet significant, this country, according to the Ambassador of India, Algiers 'is a very promising market for India particularly for engineering products, both capital and consumer-durable goods (namely, agricultural and earth moving machinery, pumps, generators, turbines, motors, machine tools, ball and roller bearings, valves, boilers, pneumatic drills, power presses, industrial refrigeration equipment, handling and construction equipment, air compressors, office machines, tele-communication equipment, laboratory and medical instruments, sewing machines etc), consultancy services and articles of daily consumption like textiles, tea, coffee, sugar, spices, and jute goods.' The Ambassador also felt that with the opening of Suez canal, commencement of a direct shipping link between India and Algeria by Shipping Corporation of India and the increasing awareness in both the countries of the potential of mutual trade, the prospects of Indo-Algerian trade have further improved.

To *Bahrain*, the major bulk of India's trade is for basmati rice, fresh vegetables, tea, and spices, textile yarn fabrics and manufactures of metal compressed gas cylinders, wire robes, domestic stoves and domestic utensils. While India is mainly supplying traditional items to this country, there has been an over all increase in the supply of non-traditional items, namely, iron and steel products, electrical machinery, appliances and transport equipment. According to the Ambassador of India in Bahrain "India's concentration has to be in the fields of machinery, electrical goods, iron and steel products, chemicals and transportation."

Indo-Belgian trade trends reveal that in 1974, India's supplies to this country totalled BF 2289 million

while Indian imports therefrom were approximately BF 3690 million. Principal exports of India to the Belgian market are ores, metals and precious stones, chemicals and allied products as well as natural fabrics, food products and leather manufactures are the major items of India's supply to this country. Iron ore, jute fabrics, bones, manganese ore, FCV tobacco, coir yarn, hides and skins, cotton greys, coir mats and mattings are among the wide range of other products supplied by India to Belgium. Indian supply of engineering goods have also become prominent to this market in recent years. In 1974, the export value of these products stood at BF42 million as against BF8 million in the preceding year. The most important engineering exports from India to this country are ship parts, lifting apparatus, radio equipment, bicycle parts, aircraft parts, electrical equipment, dry batteries, office equipment, machine tools and steel pipes and tubes. New products like dry batteries were introduced by India into the Belgian market for the first time in 1974. The increase in Indian exports of engineering goods, although small in relative terms, has shown that these products are gaining popularity not only in terms of quality but also prices.

Trade between India and *Burma*, though not as large as in the past, has come to pick up. During 1974-75 Indian exports to Burma amounted to about Rs. 46 million. Coal was the main item of exports followed by dyestuffs and iron and steel. Indian concerns have been consistently bidding for tenders floated by the government. In the field of pharmaceuticals and light engineering goods, India has been already successful, according to the information of the Indian Embassy in Rangoon. The Embassy feels that the prospects of trade between two countries will be mainly through such global tenders.

Canadian imports to India during 1974 recorded a 54 percent rise to reach \$ 59 million in 1974 as compared to \$ 38.4 million in 1973. The most remarkable increase in Indian exports to this country has been in respect of readymade garments. Next in importance are the exports of engineering products. While Indian supplies of engineering products increased from a meagre \$ 730,000 in 1972 to \$ 3.8 million in 1974, there is still scope for the Indian products to reach the Canadian Market, particularly in view of the heavy export bill of Canada for

those very items which India has already introduced in that market. In any case there has been a definite diversification of Indian supplies to Canada in the recent years. While exports of traditional products like jute, tea and sugar, showed a decline between 1971-73, the loss was more than offset by improvement in the exports of manufactured products particularly in textile and engineering sectors and leather manufactures. This trend has continued in 1974 and even export of traditional commodities like jute, spices and tea which witnessed declining trend in the previous two years rose substantially. In the engineering sector, it appears that the major areas of interest to India are machine tools, castings, forgings, industrial fasteners, hand tools, wire ropes, pipes and tubes, ball and roller bearings, locks and pad locks, bicycles and parts, cutlery and electronic products.

In tune with the all round growth in the trade between India and East European Countries, *Indo-Czech* trade has also witnessed consistent growth year after year. In 1973 Indian exports to this country amounted to 402 million KCS while Indian imports therefrom totalled 233 million KCS. The principal products exported from India to Czechoslovakia are oil cakes, iron ore concentrates, textile fabrics, textile yarn and thread, coffee, leather items, oils and kernels, fixed vegetable oils, clothing and machinery items. On the other hand, Czechoslovakia exports to India were mainly machinery, equipment, manufactured goods and chemicals. According to the information available from the Embassy of India in Prague, there is growing demand for a wide range of Indian products in the Czech market, particularly for food stuffs, textiles, light engineering goods and leather products.

Besides absorbing large quantity of various products from India, *Dubai* offers prospects for joint collaboration ventures to India. Also Dubai and other Gulf countries, need large number of skilled personnel to man their new fields of activity. 'India which is a reservoir of skilled man power should be the natural choice for providing such personnel', according to Indian Embassy, Kuwait.

Indian exports to *Ethiopia* have consisted mainly of traditional goods, cotton piecegoods, yarn, jute products, food preparations and spices. Industrial and agricultural machinery, farm implements, pipes and

fittings, electrical appliances, cables and wires — these are some of the important products for which Ethiopia offers market for Indian suppliers, according to the Embassy of India, Addis Ababa. Chemicals and pharmaceuticals offer another attractive proposition. That India can sell buses and trucks — even if in small numbers shows that break-through in export trade (of new items) with Ethiopia can be achieved. There are other new directions which India's trade with Ethiopia can take. The vast field of construction is an example, where India can sell a whole range of products, if the construction firms can establish supplier relationships with local firms and assist them to expand their capabilities.

Considering the potential of *German* market, the following Indian products have been recommended by the Counsul General of India, Frankfurt for market promotion; hand knitted woollen carpets, leather items like shoes and garments; ready made garments of cotton, silk fabrics, sports goods, selected engineering products like bicycles, hand tools and electronic components, sea foods, selected chemicals and functional handicraft items. For India, the Federal Republic of Germany is one of the leading trading nations. India is also the largest recipient of West German financial and technical assistance.

A study of India and *Hongkong* trade during the past five years reveals that it is steadily on the increase. The main constituents of Indian supplies to Hongkong have been diamonds and gems, textile yarn and fabrics, brass strips, cashew, electric power cables, cast iron pipes and tubes, synthetic organic dye stuffs etc. Apart from physical exports, India has been successful in winning over global tenders floated by Hongkong for supply of power cables. A major break-through in the field of transport was also made by India in 1974, when a prototype of a double decker bus manufactured by a Madras firm was exported to Hongkong on a trial basis.

Export possibilities to *Indonesia* have been identified in respect of railway equipment, jeeps and trucks, diesel engines for transport vehicles, scooters, auto rickshaws, rice hullers and threshers and textile machinery. It is stated that Indian techniques of textile production are well suited for Indonesian conditions as against machinery from developing markets, as the former are labour intensive. Also India is capable of supplying power

distribution machinery to Indonesia on a competitive basis. Three Indian firms have been approved to establish joint ventures in Indonesia to manufacture steel pipes and tubes, steel files and storage batteries respectively. Other projects under consideration are for the production of bicycle valves, office furniture, domestic water meters, scooter rickshaws, jeeps and trucks and paper plants. Export of consultancy services from India to Indonesia has also bright possibility. Already Indian consultancy has made its initial entry into this country for power development and irrigational engineering.

Iran happens to be the most important market for Indian products in West Asia, particularly in the engineering sector. In a detailed survey attempted by the the Embassy of India, Tehran, quite a few specific products have been identified as having export potential. In the engineering group the items identified include steel products, particularly rounds, billets and structural items, seamless tubes and pipes, bolts and locks and pad locks, conditioners, diesel engines, textile machinery, sewing machines, cycles and so on. The recent success of India's participation in the Third Tehran International Trade Fair, where the Indian firms finalised during the fair period, orders worth Rs. 10 million and negotiated further orders worth Rs. 48 million, was an indication of the large demand for a wide range of Indian engineering products in the Iranian Market. Also there is a good scope for joint ventures between India and Iran. Already there has been success in this context for jointly manufacturing spare parts for motorised vehicles.

Japan has emerged as one of the three most important trading partners of India. Indian supplies to Japan constitute a large variety of items, mainly ores (of which iron ore, manganese and chromium ores are important) which account for more than 52 percent, of the total export trade. Next in importance are items like sea foods, textile products, raw cotton, oil cakes, precious and semi-precious stones, jute manufactures and leather products. While it is desirable that India should continue to endeavour to export finished and developed products, for example engineering goods to diversify her supplies to Japan, India will have to promote the export of such new items as castings and forgings for further finishing in Japan. Thus the export in semi finished and

semi processed form has good scope to an industrial country like Japan.

India has very close relations with *Kenya*. It has contributed machinery and expertise in the establishment of the Nairobi Industrial Estate. India is also giving technical assistance to this country in various fields by providing training facilities in India. Further joint ventures between two countries are being finalised for the manufacture of woollen textiles, cotton textiles, paper and pulp, pharmaceuticals and nylon.

"India, which has achieved near self sufficiency in technological know-how and manufacturing capability in the most sophisticated fields should be able to participate in a big way in the development programme of *Kuwait*," according to the Indian Embassy in Kuwait. The possible areas where Indian industrial houses and entrepreneurs can do well in Kuwait are domestic sheep farm and poultry and vegetable farms, constructions and equipping of public schools and university, power and nuclear power stations, general construction including road development and drainage, housing, industrial projects for the manufacture of aluminium smelters, cables and wires, glass, sugar refineries and textile plants, tele-communication, transportation, petroleum and petro-chemical industry. The write-up that appeared in the Journal of Industry and Trade has indicated the responsible institutions in Kuwait for all these products.

Libya is an important trading partner of India in the African continent. Indian exports to this country exceeded Rs. 86 million in 1974-75 as compared to about Rs. 51 million in the preceding year. This improvement is clearly reflective of the rising Libyan demand for Indian supplies.

Many may not be aware that already there are 21 active joint ventures in *Malaysia* with Indian Assistance. The products manufactured by these projects cover such a wide range as to include office equipment, confectionary, precision tools, electric motors, bicycle components, auto parts, drugs and pharmaceuticals, cosmetics, vegetable oils, hydrogenated oils, cotton yarn, water coolers and copper wires. More than 9 projects are under implementation for the manufacture of soaps, biscuits, pumps, hand made fabrics and so on. The

export supplies from India to *Malaysia* have also been growing at a fast pace year after year, particularly in respect of manufactured goods like textiles, leather, metal alloys, chemicals, hand tools and also machinery and transport equipment including pumps and diesel engines, besides food stuffs.

India's main exports to *Nigeria* are electrical goods, light engineering goods, textiles and textile machinery. The biggest item however is bicycles and bicycle parts: 'There is a vast opportunity for India to export almost every item into this country particularly building material, engineering goods, textiles and also consultancy services', according to the High Commissioner of India in Lagos. Good scope also exists for Indian collaboration with *Nigeria* to manufacture a wide range of products such as agricultural implements, pharmaceuticals, plumbing and sanitary fittings, refrigeration and air conditioners, textile machines and so on.

Singapore, like *Malaysia*, is an important partner of India in the context of joint collaboration ventures. Already there are three Indian ventures which have gone into production in Singapore for the manufacture of radiators and heat exchangers, precision tools and steel cabinets. More proposals are in the pipe lines. Two major delegations which visited Singapore recently went into the question of setting up more joint ventures and found possibility of offering Indian assistance to produce machine tool accessories, sanitary fittings, foundry items, hand tools, forgings for construction industry and so on.

With *Tanzania*, trade has picked up in recent years; Indian supplies grew from 51 million Tanzanian Shillings in 1973 to 73 million Tanzanian Shillings in 1974. India has offered a loan to this country for the purchase of Indian goods and services for specified products. A technical collaboration has been signed between Indian and Tanzanian organizations for the manufacture of bicycles. Collaboration possibilities are also being negotiated for the production of steel billets and asbestos cement sheets.

Indian exports to *Thailand* have mainly been chemicals, elements and compounds, wire products, colouring and tanning materials, medicines, bicycles, cotton textiles and steel products, a wide range of engineering products and films. According to the information received from the Embassy of India, Bangkok 'India is in an excellent position to supply machinery and equipment to meet the development requirements (of Thailand), especially as far as products and services relating to agricultural output, power generation, water supply and communication are concerned'. Also 'India is admirably situated

to supply engineering skills, technical assistance and consultancy services to assist in all spheres of Thailand, especially in products financed by the Asian Development Bank and other International Financial Institutions.'

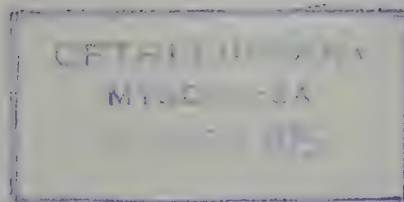
The latest issue of Journal of Industry and Trade has brought to focus not only the recent trends in trade and economic collaboration between India and other countries of the world, but also points out to the emerging transformation within the Indian economy, in terms of product diversification and technological development. □

"Neither the Emergency nor our wish for self-reliance means that we want to shut ourselves away from the rest of the world. On the contrary, we want to expand and enlarge our economic relations with other countries. We want to do this more efficiently, so that as early as possible we are able to pay fully for what we use and do not have to depend on any one to meet our deficits."

Indira Gandhi

Prime Minister of India

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INDIAN LATHES PICK UP OVERSEAS DEMAND

Automatic capstan and turret lathes made in India had Rs. 25 million export market during 1974-75. Centre lathes which secured over Rs. 9.3 million were mainly supplied to USA, (Rs. 3.6 million), Norway, New Zealand, Canada, and Australia. For other varieties of lathes supplied by India during 1974-75, Australia proved to be the major buyer. Its purchases totalled Rs. 5 million, while USA and New Zealand were among the important customers.

Besides lathes, Indian industry is in a position to supply a wide range of metal working machinery. For instance, it exported radial and other drilling machines at a value of nearly Rs. 8 million during 1974-75. USA, Netherlands, Australia and Poland were among

the principal buyers. Milling and shaping machines are also picking up popularity in the world markets. The exports are effected not only to the developing countries but also to many developed economies particularly in Europe. For instance, milling machines were exported in 1974-75 to Australia, UK and New Zealand while shaping machines were supplied principally to UK and Greece, besides Philippines. The total exports of milling, planing and shaping gears as also cutting and slating machines were of the order of Rs. 7.7 million.

Metal forming machinery such as bending, forming and shearing machines as well as mechanical and hydraulic presses are supplied abroad in a sizeable quantity. The export value of the metal forming machinery totalled Rs. 6.5 million.

The total foreign exchange of metal working machinery during 1974-75 was worth Rs. 59 million.

FILMS FETCH MORE FOREIGN EXCHANGE

Indian feature films were supplied to nearly 75 markets abroad and fetched about Rs. 63 million in 1974-75. The quantity exported was over 10.25 million metres.

Having bought nearly 1.3 million metres of the films at Rs. 12.8 million, U.K. was the leading customer. Singapore (Rs. 6.3 million), Dubai (Rs. 6.4 million), Indonesia (Rs. 4.3 million), Mauritius (Rs. 2.8 million), Kenya (Rs. 2.4 million), Nigeria (Rs. 2 million), Morocco (Rs. 2.3 million), Fiji Islands (Rs. 1.8 million), Lebanon (Rs. 1.5 million), Thailand (Rs. 1.80 million) and Barbados (Rs. 1.12 million) were the other major buyers.

In 1973-74, the exports amounted to Rs 55 million (10.35 million metres.).

Advertising shorts and news reels were also exported to earn nearly Rs. 3 million in 1974-75. These exports were far better than in the preceding year.

Cine cameras, projectors and sound recordings as also connected accessories were exported mainly to Iraq, Lebanon, Belgium, Iran and Bangla Desh to secure about Rs. 2.3 million in 1974-75.

ESSENTIAL OILS IN EXPORT TRADE

A wide variety of essential oils, perfumes and flavouring oils is active on Indian export front having fetched Rs. 93 million during 1974-75 as compared to Rs. 62 million in 1973-74.

Sandal wood oil is the outstanding item of export in this field, having secured Rs. 70.8 million in foreign

exchange during 1974-75. The leading customers were USA (Rs. 24 million), USSR (Rs. 15 million), France (Rs. 12 million), Switzerland (Rs. 7.4 million), UK (Rs. 3.6 million), Japan (Rs. 2.6 million), Hungary (Rs. 1.7 million). The total of quantum of sandal wood oil exported from India for this year was 71427 kg.

Lemon grass oil is another important item of export among essential oils and the USSR imported worth Rs. 6.7 million out of the total Indian supplies valued at Rs. 8.8 million in 1974-75. The UK, USA, Australia, German Federal Republic were among the other important buyers of this oil.

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GROWING POPULARITY OF INDIAN ENGINEERING PRODUCTS ABROAD

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The British market has been an important buyer of Indian Eucalyptus oil. While UK's import bill from India for this oil stood at Rs. 5.7 million, the total Indian exports were of the order of Rs. 7 million in 1974-75.

Among other essential oils exported by India are cedar wood oil, palma rosa oil, vetiver oil and peppermint oil. India also exports sandal wood oil and rese water.

While the position of essential oil exports is given above, Indian supplies of fixed vegetable oils (edible) amounted to as much as Rs. 333 million in 1974-75.

INDIA SUPPLIES OPIUM TO USA

The United States of America has been the most important customer for Indian opium. It imported nearly 189,000 kg. at a value of Rs. 44.6 million in 1974-75. The American purchases marginally increased from 184,575 kg. at Rs. 37.5 million in 1973-74.

Besides USA, UK, has been the next best market for Indian opium. British purchases totalled 151,000 kg. at a value of Rs. 37 million in 1974-75. The other prominent customers in the year were USSR (Rs. 20 million), France (Rs. 16.4 million), German Federal Republic (Rs. 16.1 million) and Japan (Rs. 1.24 million).

The total export earnings of crude opium by India during 1974-75 was of the order of Rs. 175 million as compared to Rs. 158 million in the preceding year.

FOREIGN EXCHANGE FROM ONIONS

India earned considerable sums of foreign exchange from onion exports during 1974-75. The export value was of the order of Rs. 53.4 million (69 million kgs.). The most important buyers in this year

were Malaysia and Singapore. Together they imported nearly 39 million kg. at a combined value of Rs. 34 million. Kuwait, Dubai, Iran, and Bahrain, were among the other customers for this vegetable.

Potato is another important vegetable exported by India, its overseas sales having improved from Rs. 2.4 million in 1973-74 to Rs. 8.3 million in 1974-75. The major buyers have been Iran, Nepal, Bangla Desh and Dubai. The quantum exported in 1974-75 was 10 million kgs. as compared to only 3.8 million in the preceding year.

Other fresh vegetables that were exported during 1974-75 fetched in foreign exchange of Rs. 9 million principally from the UK, Qatar, Muscat and Malaysia.

The total export value of fresh or preserved vegetables was Rs. 73 million in 1974-75 as compared to Rs. 65 million in 1973-74. Dehydrated mushrooms have been exported principally to France, Switzerland and fetched nearly Rs. 4 million in 1974-75.

Preserved or prepared vegetables, principally mango chutney and pickles earned an additional foreign exchange of Rs. 21 million. The pickles are supplied among others to UK, USA, Kuwait, Saudi Arabia, Sweden, Japan, Dubai and Canada.

INDIAN PLYWOOD IN KEEN DEMAND ABROAD

Indian Plywood has come to establish its demand in the world markets. Its export sales improved from Rs. 43 million in 1973-74 to over Rs. 73 million in 1974-75.

Decorative plywood which fetched Rs. 15.7 million in 1974-75 was supplied principally to Iraq and Muscat. Other plywood panels were supplied to Sri Lanka, Bangla Desh, U.K., Uganda, Iran, Kuwait, Malawi and Saudi

Arabia, besides Iraq which was the largest market at Rs. 10 million for decorative plywood and Rs. 32.6 million for other types of plywood panels.

Plywood sheets made in India are also becoming popular abroad particularly among UK, Nepal and Iran. Export value of these sheets improved from about Rs. 1.7 million in 1973-74 to about Rs. 4 million in the subsequent year.

METAL ARTWARE TO USA

The United States of America during 1974-75 purchased about Rs. 46 million worth of Indian metal artware mainly made of copper, brass and bronze. Federal Republic of Germany was another significant customer and it bought the artware worth Rs. 17 million. United Kingdom, the third best buyer absorbed the ware at Rs. 10.43 million. Total export sales of this item amounted to over Rs. 156 million in 1974-75 while in the previous year, these sales were to the tune of Rs. 125 million.

Besides the three aforementioned markets, the artware of India has been substantially imported among others by other developed countries like Belgium, Australia, Canada, Denmark, Czechoslovakia, Italy, Netherlands, Sweden, Japan, and USSR as also by the rich West Asian Economies like Saudi Arabia.

Art works and antique pieces including metal artware in all secured Rs. 339 million in 1974-75. This was excluding jewellery items which fetched an additional foreign exchange of Rs. 77.5 million. The artworks and antiques that are available for export include a wide range of items such as paintings and drawings, carpet as artware (Rs. 16.6 million) which was mainly exported to USA and German Federal Republic; carving sets, dolls and toys, embroidery, ivory manufactures, lacquered wooden ware, leather ware, leather goods, namdas, papier mache articles, pottery, silk and woollen scarves, shawls stone and wood work, and zari goods—all as artware. Wood works

as artware, made of sandalwood, walnut wood and sheshamwood has also earned considerable foreign exchange (Rs. 65 million in 1974-75).

ENGINEERING CONSULTANCY FOR EXPORT

Set up with the primary objective of undertaking complete design and engineering related to the expansion of existing and installation of new integrated steel plants in the country, the Metalurgical and Engineering Consultants (India) limited (MECON), the earlier Central Engineering and Design Bureau and the subsidiary of Steel Authority of India Limited has not only branched out into other fields of consultancy such as chemical industry but also made a mark in the export market.

Starting with the major work of designing and engineering the expansion of Durgapur and Rourkela Steel Plants, MECON has undertaken and completed many important assignments during the last fifteen years. In 1969, MECON was appointed as general consultants to the Government of India in the context of the decision to plan a substantial expansion of steel capacity in India. In this capacity, MECON carried out a variety of studies and provided the technical expertise to the Government of India in the formulation of the perspective plan for expansion of steel industry in the fourth and fifth plan periods. MECON has been appointed as the principal consultant and engineer for the expansion of Bokaro Steel Plant from 1.7 million tonnes to 4.0 million tonnes capacity; further expansion of Bhilai Steel Plant to 4.0 million tonnes capacity and beyond and the integrated steel plant proposed to be set up in Vijayanagar. The Bharat Aluminium Company, a Government of India undertaking entrusted MECON in 1972 with the design and engineering of the smelter and fabrication plants for the Korba Aluminium Project thus opening the doors of the Aluminium industry to MECON. Gradually thus, MECON has fully equipped itself to provide comprehensive design and engineering services including project planning, reports, analysis, detailed project engineering and

project management both in the field of ferrous and non-ferrous metallurgy and today it is the largest steel consultancy organization in the country. While equipment design is generally not the function of a consultancy organization, this departure was made in the national interest to enable indigenous design and manufacture of rolling mills with the most modern and sophisticated available design and manufacturing know-how. MECON is now fully equipped to undertake the work of design and engineering of all types of rolling mills and has taken work for design and supply of cold strip mills for Tata's Ahmedabad Advance Mills, Nagarjuna Steel, Hyderabad and Cold Sheet Mills for coinage metals for Government of India Mint, Bombay. Besides these, MECON expects to built many more mills in the near future both for the public and private sector industries. Another area for design and detailed engineering where MECON has made a significant impact in the steel industry, is the Coke Oven and By-product Plant. MECON, for the first time in the country, has developed a design for coke ovens of 4.5 metre height. In evolving this design, the experience of the existing operating units has been fully taken into account. MECON's design has already been accepted by Hindustan Steel Limited and a coke oven battery of this design is under construction in Durgapur Steel Plant. MECON has signed a long-term contract with Engineering Projects (India) Limited, a Government of India enterprise, for the construction of all coke oven batteries of MECON's design. Similarly in the field of coke oven by-products, MECON has made sustained efforts to develop expertise in detailed design and process know-how. Distillation and ancillary plants for regeneration of naphthalene rich solar oil have been designed by MECON and are now under installation at Bokaro. MECON has also developed their own design and detailed engineering for Benzol Recovery and Rectification Plant. The first indigenous benzol plant of MECON's design with a capacity of 180 tonnes per day of crude benzol will be constructed at the Bokaro Steel Plant. MECON has recently signed a long-term collaboration agreement with Hindustan Steel Works Construction Limited, a Government of India undertaking, for the construction of all the benzol plants of MECON design. MECON have also diversified into the chemical field by way of providing consul-

tancy and detailed engineering for a proposed TiO_2 Pigment Plant for the Kerala Minerals and Metals, starting from ilmenite sands, found in abundance on the Kerala beaches.

MECON's international recognition came to light when the task of preparing feasibility reports on the setting up of Steel Plants which would roll steel from sponge iron came from Bangla Desh and Dubai.

This organization is also holding discussions with the National Iranian Steel Industries Company on the Kudremukh Iron Ore Project to be set up in the State of Mysore at a cost of \$ 559 million. MECON had earlier updated the capital and operating cost estimates of this Iron Ore Project under assignment from the National Minerals Development Corporation.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

INDIAN ECONOMY—A REVIEW

A quick review of the performance of the Indian Economy during 1974-75 would reveal that the unprecedented rate of inflation which constituted the central problem of the economy in the preceding year, has slowed down considerably and a good measure of balance has been restored in the economy. Effective fiscal, monetary and administrative measures helped to bring down prices from the high levels reached earlier and along with steps to improve raw-material supplies and transport facilities, enabled the resumption of industrial growth. It was possible to sustain the level of investment inspite of the fact that domestic savings witnessed a decline. Thanks to buoyancy in export earnings and partly from the sizeable inflow of external resources, it became possible to meet the problem of external payments balance.

In contrast to the price rise of 25 percent witnessed in 1973-74, the rise in average prices in the Economy during 1974-75 was of the order of 17 percent. The deceleration of inflation was the consequence of cumulative impact of strict monetary and fiscal policies, both

of which were geared to limiting aggregate demand. In the sphere of fiscal policy, three major sectors of action taken were: mobilisation of record level of resources through greater tax effort, fiscal discipline evidenced in the curtailment of expenditure and consequent containment of the magnitude of deficit finance. The scale of additional mobilisation of resources by the Central Government in 1974-75 at Rs. 6,900 million was unprecedented. The resources mobilisation effected by the state government was to the tune of nearly Rs. 3,600 million. These resource mobilisation efforts were further re-inforced by another set of measures designed to mop-up additional purchasing power. In respect of monetary measures, the credit policy which was implemented by the government proved to be effective. During the period July, 1974 and June, 1975 the increase in the bank credit by 14 percent was significantly lower than the 23 percent rise witnessed in the same period of 1973-74. An important aspect of the credit policy in 1974-75 was the emergence of interest rate as a significant instrument in monetary management. The demand for credit was sought to be restrained not only by limiting the recourse to the Reserve Bank but also through an increase in the cost of credit. Consequent on rising the bank rate upto 9 percent the overall interest structure was levered up. The effect of these restrictionary fiscal and monetary policies was obvious in the significant slowing down in the rate of monetary expansion. Also increase in money supply was slowed down considerably—currency expanded by 2.4 percent in 1974-75 in contrast to the 13.3 percent rise in the previous year. Besides the impact of domestic policies, the slowing down of monetary expansion also derived from a drawing down of foreign exchange assets—a factor which in fact acted as the single largest depressant of money supply.

On the external front although exports rose by 29 percent during 1974-75, imports also grew by 49 percent, thereby widening the trade gap. The trade deficit resulted in a sizeable balance of payment deficit, which was financed through large inflow of external resources, both from IMF drawals and external assistance.

Nominal increase in foreign exchange reserves from Rs. 9470 million in March, 1974 to Rs. 9690

million in March, 1975 conceals this larger inflow of external resources. The net inflow of foreign exchange resources in 1974-75 was up by about Rs. 6490 million as compared to the preceding year. Thus the fiscal and monetary policies and improved inflow of external resources have restored a measure of balance in the Indian Economy during 1974-75.

According to the Central Statistical Organisation, India's National Income (at 1960-61 prices) increased by 3.1 percent during 1973-74; this was in contrast to an actual decline of 0.9 percent witnessed in 1972-73. The National Income, according to the Reserve Bank of India, appears to have recorded growth of about 2 percent in 1974-75.

India's food grains production was estimated at 104-105 million tonnes in 1974-75 as against 103.6 million tonnes in 1973-74. The performance of the industrial sector was in fact better than that of the agricultural sector. Actual growth rate was around 3 percent in 1974 and was no doubt spectacular but has to be judged against the background of semi-stagnation of 1973. The industrial growth would have been certainly better but for a variety of factors, such as, continued power and fuel shortage, transport bottlenecks and shortages of essential commodities, especially agricultural raw materials. These factors led to considerable under-utilisation of installed capacity in a wide range of industries. At the same time, the size and range of increase in industrial production did not support the view held in some quarters of general recession in the industrial sector. Also the output in some core sector industries like electricity generation, steel and coal has shown a sizeable rise and this augurs well for fast industrial growth during 1975-76.

There are several indicators which suggest that the Indian Economy is poised for fast growth in 1975-76. The industrial sector is geared to achieve a higher growth rate largely due to the recovery staged in infrastructure industries. With the favourable rains so far, the power situation in many states of the country has shown a noticeable improvement and this, coupled with the easing of transport bottlenecks, should promote better

capacity utilization. Adequate availability of various agricultural inputs like fertilisers and seeds has reinforced the prospects of good crop that emerged from timely rains. The plan outlay for 1975-76 has been raised by 23 percent to nearly Rs. 59,800 million. Since public sector investment sets the pace for private investment, the step-up in public outlay should have a salutary impact on private investment in the economy.

Following the declaration of emergency on June 26, 1975 the new economic programme commenced on July 1, 1975 has imparted a new sense of direction to the economy. This is reflected in the industrial sector by means of improving industrial relations and reviving the capital market in the fiscal sphere by tightening of tax administration, and thereby yielding higher revenue receipt and in the rural sector, by liquidating rural indebtedness, effectively implementing land ceilings and by providing the necessary environment for attaining higher agricultural production.

The impact of the emergency has been pronounced in the context of anti-hoarding and smuggling measures. On the external front, export buoyancy experienced during 1974-75 may not repeat in the subsequent year as the world commodity boom cooled off. But the timely measures taken by the Government of India to improve supply of inputs of export production and simplifying procedures are bound to have salutary effect on the country's export promotion. On the other hand, import payments will show a marginal rise during 1975-76 resulting in a somewhat widened trade deficit. But the availability of foreign resources may not prove to be a deterrent on growth. Besides the availability from IMF under the 'Oil Facility', total pledges of commitments by Aid India Consortium amount to \$ 1775 million.

Given the sustenance of the present sense of discipline and a suitable policy-mix, it should not be difficult to ensure a sustained annual growth of 5.5 percent in the remaining years of the Fifth Five Year Plan in India.

FERTILIZER AVAILABILITY IMPROVES

An all time high of 3.8 million tonnes of fertilizers have been arranged for consumption during the forthcoming Rabi (winter) season in India. The highest consumption of fertilizers so far in the season has been only 2.84 million tonnes in 1973-74.

Plentiful monsoon is stated to be an important factor which has facilitated the boost in fertilizer consumption. Even several dry land areas will be able to use greater amount of fertilizers. The State Governments in the country have been advised to take up a big campaign in view of better moisture in the soil. These efforts are bound to increase the economies yield on the food-grains front.

Another important fact which is likely to give an edge to improve the use of fertilizers has been the recent fall in fertilizer prices. The price decrease announced at the end of July could be taken advantage of fully during the Kharif (summer) season but is bound to have considerable impact on the demand for fertilizers in the forthcoming rabi season. The needs of the additional fertilizers required by the economy have been made not only by increasing the capacity of the fertilizer industry in India but also by making fertilizers available from the international market in larger quantities. Also arrangements have been finalised to accord priority to fertilizer movement by Indian Railways.

IMPORT BAN ON NEWSPRINT

With a view to conserving the outgo of foreign exchange and in the light of adequate domestic availability of stocks, the Government of India have recently suspended the import of newsprint. Import licences already issued will not be operative during the period of suspension, except to the extent to which shipments have already been effected or ships nominated for future shipments by the State Trading Corporation of India Limited, before October, 17, 1975.

The value of newsprint imports during 1974-75 stood at Rs. 450 million. The quantum reported was of the order of 141 million kg in this year.

RESEARCH PROGRESS IN FORESTRY

Indian Economy is blessed with large unexplored areas of forest wealth and modern research institutions in the country are conducting continuous research probes as to how best the forest wealth of the economy can be utilised. In this context, the research endeavours made by the Forest Research Institute and Colleges, Dehradun is worth mentioning. Among the research findings of the Institute, an interesting study relates to the possibility of manufacturing paper from tea stems. The cellulose and paper branch of the Institute conducted successful laboratory experiments which revealed that tea stems constitute a promising raw material for the production of writing, printing and wrapping papers from the technical point of view. No doubt this possibility may not readily interest the existing paper mills in the country because of the problems involved in replacing the raw-material base. All the same, this research finding will serve as guideline to the prospective manufacturers of paper in this country and elsewhere.

Another finding of the Institute is that *Thuja orientalis* wood may be suitable for the production of Kraft paper. This variety of wood has a high liquid content as also a high alcohol-benzene solubility, but low pentosan content.

The other recent studies of the Forest Research Institute include the hastening germination of pine seeds, root pruning and root germination, relative toxicity of insecticides against forest insects and oil content in citronella grass.

PROGRESS OF DEFENCE PRODUCTION IN INDIA

Today, in terms of military power India maintains the fourth largest army, the fifth or sixth largest air force and the eighth or ninth largest navy in the world; and as far as the conventional military forces are concerned, the country is among the leading and the most respected ones.

With a view to meeting the continuous requirement of modern arms and equipment and progressively achieving self-sufficiency and self reliance in their production, the Government of India have rightly laid emphasis on producing an adequate base of domestic production.

There are at present 30 Departmental Factories located all over the country, and a new factory to establish production of propellants required for rockets and missiles is coming up. These factories meet the length of requirements of Defence Services of arms, ammunitions, vehicles, tanks, instruments, clothings and general stores. In the matters of small arms and ammunitions, almost all the requirements of the Defence Forces are indigenously produced.

For the Navy, various types of ammunition, Cartridges, fuses, detonators, primers, projectiles, propellants, shells, etc. and for Air Force, various bombs, cartridges, charges, detonators, flares, etc. are being produced in the Ordnance factories.

There are nine Defence public sector undertakings including the newly established Mishra Dhatu Nigam Ltd., which is still to go into production. When established, this will undertake the production of critical items of special metals and super-alloys required in the aeronautics, electronics, missiles and space industry. The other public sector undertakings are Hindustan Aeronautics, Mazagon Docks, Garden Reach Workshops, Goa Shipyard, Bharat Electronics, Bharat Dynamics, Bharat Earth Movers and Praga Tools.

The Defence public sector undertakings are contributing very substantially to the Defence efforts towards the ultimate aim of self-reliance. The total value of production of all the Defence public sector undertakings

rose from Rs. 422.70 million in 1965-66 to Rs. 2957.80 million in 1974-75 and is expected to go up further upto Rs. 3620 million in 1975-76.

The Research and Development establishments of the Defence Ministry, Government of India also contributing in a variety of ways to the economic and social development of the country. The Agricultural Research Unit (ARU) at Almora, under the Defence Research and Development organisation, has conducted trials on a wide range of crops with a view to selecting suitable varieties of crops for the hill terrain of Uttar Pradesh, Arunachal Pradesh and Leh. Wheat and Peas were grown for the first time in Tirap Division of Arunachal Pradesh from the seeds supplied by the ARU. High yielding short duration varieties of water-melon, pumpkin and bitter ground gourd have been introduced. The Agricultural Research Unit at Leh has scientifically evaluated suitable varieties of potatoes, peas, cabbage and cauliflower and distributed for seeds to local farmers.

The Animal Husbandry Research Unit at Leh is engaged in rearing improved breeds of poultry under sub-zero conditions without the use of external heat.

In the Kameng and Tirap Districts of Arunachal Pradesh and in Manipur, the army personnel are assisting in Developmental activities in inaccessible and mountainous areas. The teams comprise medical, veterinary educational and agricultural personnel. They are engaged in the improvement of agriculture, animal husbandry, sanitation and hygiene and in the provision of medical and educational facilities to the rural people.

GROWING POPULARITY OF INDIAN ENGINEERING PRODUCTS ABROAD

A review of India's Engineering Products during the recent years would indicate a consistently improving record of foreign exchange earnings year after year. In 1971-72, the export value of these products was in the range of Rs. 1253 million; it improved to Rs. 1410 million in 1972-73; Rs. 1935 million in 1973-74 and Rs. 3491 million in 1974-75. A wide range of engineering

products including industrial plants and machinery, steel structurals, steel pipes and tubes, industrial fasteners and other steel products, automobile products, bicycles, diesel engines and electronics were responsible for the export progress in the engineering sector.

Of the Rs. 3491 million export market that India's Engineering Industry had during 1974-75, the contribution of capital goods was of the order of Rs. 116 million, steel and pig iron based items Rs. 938 million, non-ferrous products Rs. 116 million and consumer durables Rs. 1300 million.

Of the capital goods exported, industrial plant and machinery as well as fabricated steel structurals proved to be popular in the overseas markets. Textile and jute mill machinery for instance, has increased its export earning substantially from Rs. 39.4 million in 1973-74 to approximately Rs. 163 million in 1974-75. It is expected that textile mill machinery will be able to improve its export performance further to fetch Rs. 200 million in 1975-76. The major orders received for this machinery are from Bangla Desh, South Korea and Taiwan. Sugar mill machinery witnessed a marginal export decline in 1974-75 at Rs. 34 million from about Rs. 43 million in the preceding year. But the total value of orders received from customers abroad during 1974-75 stated to have totalled Rs. 130 million. A target of Rs. 85 million has been fixed for these exports during 1975-76. A promising customer for the machinery appears to be Indonesia where rehabilitation of the existing sugar mill has been taken up in hand in a big way. Financing for this purpose is being done partly by the World Bank/Asian Development Bank and partly by the mills themselves. Cement mill machinery is yet another line of export promise particularly to West Asian and North African countries. India is in a position to offer plants of 1,000 tonnes capacity per day. The export earning from this machinery in 1974-75 was of the order of about Rs. 6 million. In the preceding two years, the export earning was at Rs. 11 million (1973-74) and Rs. 23 million (1972-73). Food processing machinery exports which were merely Rs. 85 million in 1972-73, increased to Rs. 256 million in 1974-75 and is confident of stepping up its exports to over Rs. 30 million in 1975-76. Sugar has been one of the principal

markets for this line in the past. Sugar markets are East Africa, Bangla Desh, Thailand, and Indonesia. The export earning from excavators, tractors, and automobile equipment was of the order of Rs. 84.2 million in 1974-75 as compared to Rs. 56.50 million in 1973-74 and Rs. 37 million in 1972-73. The major items covered in this group are construction machinery, earth moving equipment such as excavators, tractors, bull dozers and shovels, plastic moulding machinery and other industrial machinery such as coke oven plant, rolling mills, glass manufacturing plants and so on. The major markets of this group of equipment have been Afghanistan, Bangla Desh, Malaysia, Gulf Countries and East Africa.

The fabricated steel structurals improved their foreign exchange earning from Rs. 74 million in 1971-72 to Rs. 109 million in 1972-73, Rs. 113 million in 1973-74 and Rs. 156 million in 1974-75. This group covers the export of transmission line towers, boilers including pressure vessels, cranes and lifts, boiler house structures, factory structures, P.S. tanks, bridges and so on. The export of transmission line towers particularly has been very active. Its export value rose from Rs. 24.4 million in 1973-74 to Rs. 51.2 million in 1974-75.

The export of heavy electricals has nearly doubled from Rs. 60.50 million in 1973-74 to Rs. 120 million in 1974-75. This group covers transformers, switch gears, electric motors and other heavy electrical equipment required for power generation and distribution. The Heavy Electrical group offers considerable scope and the principal markets are West Asian countries including the Gulf Regions, East Africa, Malaysia and other South Asian countries. Indian electrical industry has also developed markets in advanced countries like Federal Republic of Germany, United Kingdom and Australia. A recent study undertaken by the Economist Intelligence Unit, London on behalf of the Engineering Export Promotion Council of India has indicated a vast scope for electrical motors upto 50 h.p. in the British market. M/s. Bharat Heavy Electricals Limited, the leading heavy electrical manufacturer in India, are presently negotiating complete power house business in Iran which is likely to secure about Rs. 500 million.

Wires and cables constitute another line of growth in the engineering sector. Their exports increased to Rs. 115.4 million in 1973-74 and Rs. 172.5 million in 1974-75. The estimated export effort of this sector is to be in the range of Rs. 200 million during 1975-76.

Wagons and coaches and other railway equipment have also recorded export growth over the years, 34 million in 1972-73, Rs. 59 million in 1973-74 and Rs. 99.40 million in 1974-75. It is learnt that the organisation of outstanding orders for these exports totals nearly Rs. 320 million. The Engineering Export Promotion Council on the basis of the orders on hand and expected execution of supplies, have fixed tentative target at Rs. 150 million in 1975-76. The orders on hand are mainly from Yugoslavia, Bangla Desh, Malaysia, Iran, East Africa and Taiwan. It has been recognised by the Indian Authorities that the railway wagon industries offers considerable export market and serious efforts are under way to organise wagon exports in a big way. It is expected for the near future that this cycle could contribute a foreign exchange of nearly Rs. 500 million per year.

Thanks to the efforts made by M/s. Mazagon Docks as also other important manufacturers in the line like Garden Reach Workshops, Calcutta, and Bombay Marine Engineering, export of coastal vessels and barges have emerged as promising source of foreign exchange. Although no sizeable exports have taken place in the past, large orders have started flowing in from the world markets. The export earning of this sector was merely of the order of Rs. 3.8 million in 1972-73 which grew to Rs. 3.5 million in 1973-74 and Rs. 19.70 million in the subsequent year. From Iran particularly sizeable export orders have been received by M/s. Mazagon Docks Limited within the last two years or so. Another important manufacturer in the shipping line are M/s. Hindustan Shipyard are also stated to be negotiating a large export deal with Iraq.

Complete vehicles which fetched Rs. 61.40 million in 1973-74 have more than doubled their export receipts to the tune of Rs. 165.60 million in 1974-75. Serious negotiations for concluding fresh business particularly in West Asian countries are under way and the

additional orders under finalization are stated to be to the tune of Rs. 300 million.

Indian machine tools have improved their market in the world. The export value was of the order of Rs. 72.20 million in 1974-75 in contrast with Rs. 37 million in the preceding year. The major markets for these tools have been Australia, North America and West Europe.

In the steel sector, the principal line of export has been that of steel pipes and tubes. The export story of this sector has been exciting in that the value of returns is improving substantially year after year, Rs. 74 million in 1971-72, Rs. 92 million in 1972-73, Rs. 208 in 1973-74 and 414 million in 1974-75. This notable increase in the exports has been possible because of higher unit value realisation as also substantial orders secured from the West Asian Countries.

The ferrous holloware industry comprising items like tinplate containers, G.I. Buckets, Steel Ghamellas, Steel Trunks and Crown Corks, were exported for nearly Rs. 40 million in 1974-75 against 20 million in the preceding year. Mild steel wire products covering a wide range of products like wire nails, nettings including barbed wire, electrodes and welded mesh have also picked up in the export trade. The value of their overseas trade in 1973-74 was approximately Rs. 20 million and this was promoted to Rs. 65 million in 1974-75. Recent market studies indicate that the Indian barbed wire is especially popular in the West Asian and North American countries.

Industrial fasteners covering bolts, nuts, rivets and washers, wood screws and railway track materials are also gaining overseas demand. Their exports fetched Rs. 21 million in 1973-74 and Rs. 54 million in the subsequent year. Railway track materials particularly are stated to be in good potential demand among West Asian markets particularly Iran.

Wire ropes and other high carbon wire products have witnessed sizeable growth in exports from Rs. 27 million in 1973-74 to Rs. 90 million in the subsequent year. Sanitary castings, which also made their export performance to Rs. 80 million as compared to Rs. 45.7 million, are principally supplied to Singapore, Malaysia, Hongkong, U.K., North America, Gulf Countries as also the African

Countries. It is expected that this sector will fetch about Rs. 80 million in 1975-76.

Among other steel products of India that have picked up demand abroad are steel furniture, building hardware, sanitary and water fittings, agricultural implements and razor blades. These items together secured an export realisation of Rs. 150 million in 1974-75 which was a cent percent improvement over the previous year's record.

Mainly comprising aluminium products and EPNS wares, the non-ferrous manufacture industry brought in foreign exchange worth Rs. 116 million in 1974-75. This was in contrast to Rs. 91 million in 1973-74 and Rs. 54 million in the year before.

In the consumer durable sector, auto parts have shown dynamism in export trade — from Rs. 119 million in 1973-74 to Rs. 221 million in 1974-75. This line of exports in fact is stated to be one of the most promising in India's engineering industry. A study conducted by the Economist Intelligence Unit, London on behalf of Engineering Export Promotion Council has also identified automobile ancillaries as a highly promising item in the British market.

Bicycles and bicycle parts constitute one more significant sector of export development. The export earning of this industry rose from Rs. 80.50 million in 1971-72 to Rs. 105.50 million in 1972-73, Rs. 152.20 million in 1973-74 and Rs. 218.40 million in 1974-75. While complete bicycles fetched Rs. 38 million, bicycle parts earned Rs. 181 million in 1974-75.

Hand, small and cutting tools also witnessed gradual increase in their exports. The export realisation was of the order of Rs. 141.50 million in 1974-75. The Economist Intelligence Unit's study referred to above in the British Market has indicated that Indian hand tools are quite popular and they have established their quality in the lower and middle range price levels. Indian supplies are mainly confined to spanners, pliers, wrenches etc. The range of export is sought to be diversified with a view to fetching higher unit value. It is expected that the exports in this line could be stepped up considerably even to reach the level of Rs. 300 million a year.

Export realization was more than doubled in respect of diesel engines, pumps and compressors; Rs. 234 million during 1974-75 as compared to Rs. 106 million in 1973-74. Diesel engines alone fetched Rs. 191 million as compared to Rs. 81 million. The most important achievement of diesel engine industry has been its successful entry in the UK market recently and this success in the British has amply proved that Indian supplies to other industrial countries like France could also be developed. For mechanical pumps made in India, good interest has been shown by the West Asian countries. Serious enquiries are stated to have been received recently for integrated water supply scheme from some of the East African and South Asian countries. Also trading opportunities have been located in developed countries like Sweden and U.K.

Mainly comprising air-conditioners, water coolers and refrigerators, the heating and cooling industry of India has come to recognise the vast potentiality that it can offer for industrial refrigeration on a turnkey basis. Presently its export effort is around Rs. 22.50 million (in 1974-55).

Indian supplies of electric fans to overseas markets realised Rs. 68 million in 1974-75 as compared to Rs. 24 million in 1973-74. Besides physical exports, the fan industry in India is engaged in joint ventures abroad.

The electronic group mainly comprising data processing machines, radios, parts and electric components, telephone and teleprinters have improved their export performance from Rs. 47 million in 1972-73 to Rs. 93 million in 1973-74 and Rs. 126 million in 1974-75. Data processing machines and radios and parts reached most important in line of exports. The Santa Cruz Export Zone, Bombay is organising a notable effort to promote electronic exports in the near future. One of the recent orders received by the electronic industry in India was in respect of radars. This order was received by M/s. Bharat Heavy Electricals Limited, Bangalore and is expected to be partially executed in the current year.

Apart from the various consumer durables that have been mentioned above, India's engineering industry has also built up its reputation as a quality exporter of dry and storage batteries, sewing and knitting machines, electric lamps and accessories, scientific and surgical instruments like lamps and stoves, ball and roller bearings and so on.

Thus the engineering industry in India covers a very wide export arena, ranging from heavy electricals and steel structurals, railway wagons and heavy machine tools, industrial plant and machinery to consumer goods in mechanical, electrical and electronic fields.

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SOPHISTICATED MARKETS BUY OFFICE MACHINES FROM INDIA

Mainly statistical machines and their parts, typewriters, and calculating machines are exported by India's Office Machine Industry. The export earnings of this industry improved from Rs. 40 million in 1973-74 to Rs. 54 million in the year that followed.

Statistical machines particularly punchers, verifiers and tabulators were exported to fetch as much as Rs. 45 million. Interestingly, Japan and Australia are the principal importers for these machines from India. Besides, sizeable supplies have been made to countries like New Zealand, UK and Belgium. The most popular statistical machines imported from India by these countries, mainly Japan and Australia, are punchers.

Indian typewriters have also developed a modest stake in the export market. These supplies have been improving year after year, clearly reflecting the growing demand in markets like Sri Lanka, Malaysia and Nepal.

Rs. 2 million worth of exports were effected by the typewriter industry in India in 1974-75.

Calculating machines, both manually operated and electrical run, have also come to pick up overseas demand, the leading importers being Hungary and German Federal Republic.

Burma, Sri Lanka, Nepal and Thailand have been the principal customers for India-made duplicating machines, while UK has also been purchasing other varieties of office machines and parts.

STEEL MANUFACTURES EARN MORE FOREIGN EXCHANGE

The steel industry of India has improved its share in the country's export business. Its overseas sales were of the order of Rs. 607 million in 1973-74 which improved to Rs. 862 million in 1974-75.

The major improvement noticed was in respect of steel tubes and pipes. These exports have more than doubled from Rs. 243 million in 1973-74 to Rs. 487 in the subsequent year. A near doubling has also been witnessed in respect of the exports of iron and steel bars and angles to Rs. 126 million from Rs. 64 million in the comparable years. Exports of steel ingots and other primary forms, rails and railway track construction material, iron and steel wire and wire rods as also steel castings and forgings presented an encouraging picture of exports.

Exports of pig iron however recorded some decline from Rs. 233 million to Rs. 179 million. Pig iron including cast was mainly supplied to Korea Republic, USSR, Japan and Yugoslavia during 1974-75. USA was the important importer of ferro manganese. While pig iron exports this year totalled Rs. 84 million. Overseas supply of ferro manganese stood at Rs. 53 million of which the total purchases of USA were as much as Rs. 35 million.

Steel ingots and other primary iron and steel were mainly imported from India by Iran, Nepal and Malaysia. The export of bright bars was mainly in the direction of Iran, Thailand, Dubai, Muscat, Bangladesh and USA.

Besides bright bars, India also exports a wide range of bars and rods including those made of high carbon spring steel and high speed alloy steel. Also India's steel industry is in a position to export a wide variety of angles, shapes and sections. These supplies were made mainly to Iran, Iraq and USA in 1974-75.

Steel tubes and pipes constitute the outstanding item of export dynamism in the steel industry. The export range in this sector includes rain water pipes, soil pipes, galvanised and non galvanised tubes and pipes and tube and pipe fittings. Soil pipes for instance are supplied principally to Hongkong, Singapore, Dubai, Iraq and USA. Galvanised pipes which secured Rs. 380 million in 1974-75 were marketed to Iraq, Dubai,

Iran, Muscat and Saudi Arabia, among others. Iraq was the most important buyer of non galvanised steel tubes and pipes. Cast iron tubes and pipe fittings both galvanised and non galvanised varieties have proved equally popular in the world markets.

Iron and steel castings and forgings which also recorded export improvement from Rs. 8 million in 1973-74 to Rs. 19 million in the subsequent year were supplied mainly to USA, Canada, Poland and Yugoslavia.

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GREAT BRITAIN MAJOR IMPORTER OF EPNS WARE

The United Kingdom followed by the USSR and USA constitute the principal customers of India's EPNS ware. These exports secured nearly Rs. 50 million in 1974-75, while in the preceding year their export proceeds totalled Rs. 33 million only.

The British purchases improved from Rs. 10.8 million in 1973-74 to Rs. 19.5 million in the subsequent year. The imports by USA however recorded some decline while the Soviet Union nearly doubled its offtake.

Apart from these three important buyers, Indian EPNS ware is supplied to 55 other markets the world over. Of these special mention may be made of customers, like Australia, Poland, Netherlands, Canada, France and German Federal Republic.

Besides EPNS ware, Indian industry exports a wide range of household equipment of metals and these include domestic stoves, boilers, cookers, domestic utensils including cast iron pans, galvanised iron buckets, brass and copper utensils, sanitary fixtures made of non-ferrous metals and alloys, aluminium utensils and so on. Stainless steel utensils earned foreign exchange worth about Rs. 12 million during 1974-75, principally from Malaysia, the U.K. and Zambia. Aluminium utensils constitute another significant line of exports in the field. These supplies were mainly absorbed by Saudi Arabia, Malawi and Kuwait during 1974-75; in this year the exports of these utensils totalled nearly Rs. 12 million.

Particularly to the UK market, India also exports a good number of trophies which brought in Rs. 2 million of foreign exchange in 1974-75.

As compared to 1973-74, overseas demand for steel utensils and aluminium utensils particularly improved during the year that followed.

IMPROVED EXPORT POSITION OF SILVER

Exports of silver registered a manifold increase in 1974-75 as compared to its turn-over in the preceding years. The export was valued at Rs. 799 million during 1974-75 as compared to Rs. 65 million in the preceding year. The ban on exports of this metal was withdrawn in February 1974.

Silver in different forms was exported to the tune of 641.5 million gms. in 1974-75. The U.K. and France imported respectively 361 million gms at Rs. 441 million and 212 million gms valued at Rs. 251 million. The other importers were the USA, Dubai and Italy.

The State Trading Corporation of India has recently exported six tonnes of this metal for about Rs. 10 million to Western Europe. Its export constituted a part of consignment in fulfilment of a contract entered into earlier. Silver is one of the new export items developed by the Corporation and its objective is to diversify into value-added export items. Silver exports are not canalised through the State Trading Corporation of India which however acts as a supplementary exporter with private parties. The export value of silver in the current year is stated to be picking more than in the preceding year and is likely to earn Rs. 1,000 million in foreign exchange.

EARTH MOVING EQUIPMENT TO WEST ASIA

With their rapid programmes of industrial progress and diversification, the West Asian Countries, which are blessed with unprecedented foreign exchange earnings through their oil exports, are turning to the world markets for quick supplies of machinery and equipment. In this context, supplies of earth moving equipment have come to assume importance.

M/s. Bharat Earth Movers Ltd. (BEML) has found good markets for its products in some of the West Asian Countries. This firm had exported bulldozers and motor graders worth Rs. 4.3 million to Kuwait, Iran and Bhutan during 1973-74.

Having established itself in Kuwait and Iraq, BEML is now exploring possibilities in the other Gulf Countries. The organization is hopeful of effecting an export turn-over of Rs. 10 million during the current financial year.

Besides, the firm's earth moving equipment has been supplied at Rs. 7.5 million to the Oil and Natural Gas Commission, for its oil exploration work in Iraq as also to the Water and Power Commission for the Chukka Hydel Project in Bhutan.

This Public Sector Project has for the first time exported 50 rail coaches and spares costing Rs. 45 million to Bangla Desh in 1974-75. In the current year, the Rail Coach Division of BEML has plans to improve its export capacity further.

SUCCESS OF INDIA'S PARTICIPATION AT POZNAN FAIR

India's participation in the International Consumer Goods Fair held in Poznan during September 7-14, 1975 has proved to be a substantial success in terms of business transacted and the large number of crowds that the India Pavilion had attracted. The Pavilion which had displayed a wide range of consumer goods including electronic components was a big attraction among the visiting public.

The Indian Embassy in Warsaw had reported that the representatives of the Indian firms that took part in the Fair had signed contracts worth about Rs. 29 million for consumer items like locks, cycle parts, EPNS ware, handicrafts, plastic goods and so on. The Embassy had further reported that business negotiations worth Rs. 75 million were carried over.

Hindustan Machine Tools, Bangalore had signed a contract with the Polish Foreign Trade Enterprise M/s. Metal Export for the supply of 60 fractional drilling machines and 50 milling machines worth Rs. 8.5 million to Poland for which a special allotment of funds was arranged from the Polish Planning Commission, according to the information received from the Embassy.

Polish business houses had shown keen interest on the samples of potentiometers, micro phones, semi conductors, micro electric elements and capacitors which were displayed in the Indian Pavilion. It is reported that enquiries were received not only from the Polish Enterprises but also from the neighbouring countries.

SILK EXPORTS IMPROVE

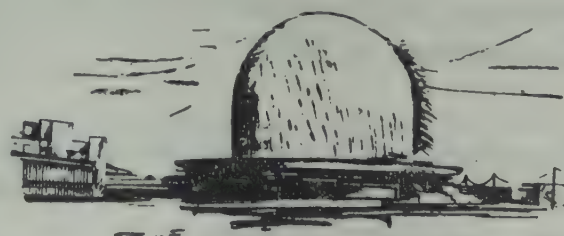
India's export trade in silk goods aggregated Rs. 77.1 million during first half of 1975-76 (April-September, 1975) against Rs. 66.1 million in the corresponding period of last year. The increase marked 16 percent rise over the export value in the corresponding period of the preceding year. The target for the exports in the full year of 1975-76 was placed at Rs. 99.4 million.

Out of the total earnings of Rs. 77.1 million the mulberry sector's share was Rs. 66.7 million (Rs. 56.1 million last year). Tasar contributed Rs. 10.40 million as against Rs. 10.10 million in last year.

Country-wise export analysis shows that in mulberry goods the top importer during the period April-September were Malaysia/Singapur with a total offtake of Rs. 13.4 million as against Rs. 6.26 million last year, closely followed by UK.

In the tasar silk, Federal Republic of Germany topped the list with an import of Rs. 6.53 million as against Rs. 5.32 million last year. The USA imported Rs. 1 million worth of goods this year as against Rs. 0.9 million.

Commodity-wise, sarees were the major export earner with Rs. 26.9 million as against Rs. 14.5 million last year. Scarves earned Rs. 19.7 million as against Rs. 17.4 million last year.



INDIAN SHIPPING CORPORATION POISED FOR VENTURES ABROAD

The Shipping Corporation of India is poised for entering into joint collaboration ventures abroad, particularly among the oil-rich West Asian markets. The Corporation has already negotiated for a joint venture with the Kuwait Foreign Trade and Investment Company. It is now exploiting the prospect of a joint shipping venture with Libya.

For the joint ventures with Oil Producing countries, the Shipping Corporation of India is to provide the necessary commercial and technical expertise while the collaborating country is to meet the capital requirements for such ventures.

Besides being a prospective partner with countries abroad, the Corporation is also endeavouring to effect considerable earnings on foreign exchange outgo. Under a long term charter arrangement already concluded with the Mineral and Metals Trading Corporation of India, the Shipping Corporation of India is to help save foreign currency on sea-transport and incidentally facilitate the earning of large sums of foreign exchange through MMTC's exports of ores.

A new experiment has been launched recently in collaboration with the Indian Oil Corporation and the Hindustan Petroleum Corporation under which the Shipping Corporation of India is being employed to bring crude oil from all Indian refineries except Cochin.

The Shipping Corporation of India is also associated with the Oil and Natural Gas Commission in its oil exploration programme in the Bombay High area. One of the Corporation's tankers will be used as a storage vessel for receiving oil from the production wheels. From the storage tanker, oil will be transported to Indian coastal refineries by small tankers of the Shipping Corporation of India.

The Shipping Corporation of India registered an all round improvement during the year 1974-75. Its net foreign exchange earnings and savings in 1974-75 amounted to a record figure of Rs. 940 million. Its

operative earnings went up from Rs. 1232 million to Rs. 1922 million while its profit shot up to Rs. 330.1 million from Rs. 139.1 million.

In 1974-75 despite the extremely depressed trade market due to which the total laid up tonnage in the world had gone up to about 44 million dwt., not a single ship of the Shipping Corporation of India was laid up.

The Corporation began the year 1974-75 with 105 vessels of 2.3 million dwt. During the year, it added to its operation 14 more vessels of 0.8 million dwt. The fleet which crossed the three million dwt. mark during the year, presently consists of 126 ships of 3.6 million dwt. Another 17 ships of 1.36 million dwt. are on order and are expected to be delivered very soon.

BOOST IN HANDICRAFTS EXPORTS

Representing a tenfold rise, Indian exports of handicrafts improved from Rs. 190 million in 1961-62 to Rs. 1900 million in 1974-75. This spectacular export growth was mainly due to the maintenance and improvement of the high standards for which Indian handicrafts are famed the world over. There is a growing desire in industrialised societies to possess not massproduced goods but those turned out with loving and distinctive care by talented artisans.

Indian handicrafts are being exported to over 100 countries. Besides USA and West Europe which continue to be India's traditional buyers, trade with USSR and East European countries has been steadily increasing. Japan has also emerged as a major market.

The export growth in handicrafts has been mainly accounted for by gems and jewellery. Carpet exports have also picked up substantially. Other important product groups active in the export field are woollen carpets, art metalware, woodware, handprinted textiles and imitation jewellery.

Being aware of the production constraints faced by an important handicraft line, viz, carpets, the Govern-

ment of India have taken up an ambitious training programme for carpet weavers. A large number of such training centres are planned to be set up in Uttar Pradesh and Jammu and Kashmir.

INDO-ITALIAN JOINT COMMISSION

A new trade agreement was signed between the Government of India and Italy, at the end of the deliberations that were held by the Indo-Italian Joint Commission recently. The Commission recognised the potential for collaboration in a two million tonne pelletisation plant in which an Indian firm has shown interest. It was agreed to make a feasibility study of the project and to work out suitable partnership arrangements.

Among the other areas identified for cooperation between the two countries were jute manufactures, leather processing and finishing and joint ventures in third countries. The possibility of Indian firms getting sub-contracts in Italian Projects in third countries was discussed specifically.

The scope for import by India of specialized machinery and collaboration for the manufacture of jute mill machinery was discussed. The Italian side agreed to consider importing Indian engineering goods of various kinds and also to buy India's pig iron, mica, iron ore and steel structurals. Italy could also import organic and in-organic chemicals, marble and granite, cellulose and wood. The Commission also hoped that tobacco supplied to Italy, which is already the largest buyer of the commodity from India at nearly Rs. 50 million a year, would be further improved.

Indian exports to Italy improved from Rs. 240 million in 1971-72 to Rs. 520 million in 1974-75. Imports from Italy also grew from Rs. 240 million to Rs. 780 million. Major items of Indian supply have been leather, coffee, precious and semi-precious stones, textiles, spices and tobacco. Export of engineering goods has also been picking up. Indian purchases from Italy have been electrical and other machinery, chemicals, fertilizers and pharmaceuticals.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

NATIONAL AWARD FOR DESIGN OF HARDNESS TESTERS

The President of India has recently presented a National Award to M/s. Blue Steel Engineers Private Limited (144 A-Z Industrial Estate, Ferguson Road, Bombay) for the invention of a simple and economic design of rubber hardness tester. These testers were imported from Japan and Europe recently, as it was not possible to develop the same indigenously due to the intricate nature of the components involved. The invention of the Bombay firm is expected to facilitate adequate domestic production of this product.

The inventing firm is reported to have received and executed export orders worth over Rs. 0.6 million as a result of their recent participation in certain International Trade Fairs. Also, their product is reported to have captured world markets including the Federal Republic of Germany, Netherlands, Denmark, Sudan, Italy, Turkey, Iran and Brazil.

The firm has also been awarded the Import Substitution Award recently by the Board of Import Substitution Awards, New Delhi.

Encouraged by the ever-increasing export orders booked, the firm has plans to increase its production capacity as also to diversify its manufacturing range. The new products that it has added to its production include a complete rubber testing laboratory in a suit case, paint strength tester, wall type hygrometer to ascertain the relative humidity in atmosphere and an automatic centre punch for precision marking in workshops and industry.



RESEARCH PROGRESS IN SYNTHETIC DRUGS

The Research and Development Wing of the Synthetic Drugs Plant of Indian Drugs and Pharmaceuticals at Hyderabad has developed basic technology for 39 well-known drugs.

These drugs, by and large, span a wide spectrum of common diseases prevalent in India and include anti-T.B., anti-malarial, anti-amoebic, anti-bacterial, anti-leprotic, anti-gout, anti-diabetic, anti-inflammatory, anti-convulsant drugs besides sedatives, tranquilizers, anaesthetics, diuretics, respiratory stimulants and correctives for B-complex vitamin deficiencies.

Out of these 39 drugs, 11 have already been taken up for commercial production at the Plant, eight out of another nine have already been developed for production during the Plant's Second Phase Expansion; the technical know-how for the ninth i.e. vitamin B-6 is being developed in collaboration with the National Chemical Laboratory, Poona.

Another eight of these new drugs have been successfully standardized at the Pilot Plant level and are awaiting commercial production while others, having been standardized at the laboratory scale, will now be scaled up for trials at the Pilot Plant.

The Scientists and Technologists of the Synthetic Drug Plant have also effected improvements in the technology of 15 out of 16 basic drugs-originally provided by Soviet Collaborators by finding alternative and less expensive routes of synthesis. It has not only resulted in an increase in production and improvement in quality but also in import substitution and reduction in costs.

Alternate technology developed for the production of vitamin B-1 and sulphaguanidine constitute the most outstanding achievement of the Research and Development wing thus far.

Amongst various other projects, this wing of the Plant is also currently engaged in developing the technology for acetyl acetone and acteo-acetic ester based on ketene. Significant success has already been achieved at the laboratory scale. And when fully developed at the Plant level, it would replace more expensive sodium metal-based technology.

Since Research and Development forms the backbone of the drugs and pharmaceutical industry for its continuous growth and progress, the Plant, right from the very beginning has given a proud place to the same in its programmes. Research and Development laboratories were, infact, commissioned much earlier than the main production facilities. This helped in stabilisation of technology provided by Soviet Collaborators and also in bringing up production to optimum levels, import substitution, reduction in costs as well as development of new products and newer routes of synthesis in a very short period. This is evident from the fact that the production capacity of the Plant has been doubled today with only a marginal investment of Rs. 48 million, whereas for creating production facilities for 851 tonnes of drugs, the investment required was Rs. 222 million.

During a decade of its existence, the Research and Development Wing of SDP has completed 111 Research Projects at the laboratory scale and 38 at the Pilot Plant scale. Many of these projects have already been commissioned for commercial production at the main Plant, while several of them have been successfully tried at the Pilot Plant and await scaling up to the commercial level.

Although a fairly good infra-structure for research has already been created, the facilities are continuously being augmented; a full-fledged Research and Development Centre for research in Medicinal Chemistry and comprising of Chemistry Division, a Biology Division, an Animal House and other auxiliary facilities is proposed to be set up shortly. This will go a long way in further consolidating and expanding the scientific and technological base available in the country in the field of drugs and pharmaceuticals.

SPOTLIGHT ON BICYCLE INDUSTRY

Bicycle industry in India has a significant record of production and exports. Recent years have witnessed Indian bicycles plying on the roads of many a sophisticated country like Japan, USA and Australia.

Production of bicycles in the organised sector during 1973-74 was 2.60 million numbers as against 1.80 million numbers in 1972-73. There are at present 14 units engaged in the production with a licensed capacity of nearly 3.75 million numbers and an additional capacity to the tune of 120,000 numbers per annum has also been created recently. The organised sector of the industry (units registered with the Directorate General of Technical Development, Ministry of Industrial Development) accounts for about 80 percent of the total production of bicycles. Apart from these, there are about 300 units in the small scale sector engaged in assembling of bicycles, manufacture of parts and accessories. In the small scale sector, production capacity in terms of complete bicycles is of the order of 500,000 numbers per annum while the present level of production is 40,000 numbers.

The projected annual production requirement at the end of the Fifth Five Year Plan (1978-79) is estimated at 3.5 million complete bicycles in the organised sector. This is expected to meet the both, home demand as well as export requirements. With the sufficient capacity installed in this field of production there is hardly any scope for licensing of additional capacity. Despite the fact that there exists a considerable scope for development and manufacture of three-speed light-weight bicycles — popularly known as 'Sport light roadsters' for export purposes — manufacture of this export model as well as after models like racers etc., additional capacity is required for manufacturing a range of components and accessories, such as, multi-speed hubs, clusters, coaster brakes, caliper brakes, end rik rim, balloon rims etc. Thus there exists a considerable scope for manufac-

turing export oriented models of bicycles or components and accessories. Even foreign collaboration proposal for manufacture of these special components can be considered on merits.

Taking into account the development of indigenous capacity and actual production of complete bicycles in the country, imports have been banned completely from July 1967.

The principal raw material items required in the production of bicycles and accessories, include cold rolled steel strips, ERW steel tubes, free-cutting quality steel bars, forging quality steel bars, brazing pans, primary nickel, heat treatment salts etc. Most of them are available indigenously. However, nickel and minor quantities of non-ferrous metals for brazing are required to be procured from abroad. Cold rolled steel strip is in short supply at present and affecting production to some extent.

Exports of complete bicycles during 1974-75 earned foreign exchange at Rs. 35.22 million as compared to Rs. 26.49 in 1973-74. About 155478 bicycles were supplied abroad during the year. Including bicycle parts and accessories, such as, bicycle chains, bicycle freewheels, bicycle hubs, rims, saddles, spokes and other parts and components, the total export earning of bicycles and parts amounted to Rs. 213.27 million during 1974-75 as compared to Rs. 197 million in 1973-74. Iran, Nigeria, Indonesia, USA and Bulgaria were the principal importers of complete bicycles while Italy, Indonesia, France, Nigeria, Singapore, Thailand, Kenya, Sri Lanka, Malaysia, Iraq, Malawi, Tanzania Republic and Vietnam Republic were the prominent destinations for parts and accessories.

ENERGY DEVELOPMENT IN INDIA

In India, planned economic development started in 1951 with the First Five-Year Plan. The country is now implementing its Fifth Five-Year Plan. During this period, the consumption of commercial energy has increased at about 7.2 percent a year. Despite this, almost 45 percent of total energy consumption at present comes from non-commercial fuels.

The process of economic development in India has been accompanied by a rapid increase in the consumption of commercial energy. There has also been an increase in the consumption of non-commercial energy, but this is largely relatable to the growth of population during this period. The consumption of commercial energy by sectors like mining and manufacturing, transport and agriculture, has grown very rapidly during the past 20 years. Not un-naturally, the rate of growth of electricity is the highest, and is because of the versatility and convenience in the use of this form of energy. The rate of growth of the consumption of oil is higher than the rate of growth of the consumption of coal, despite India's large coal deposits, and comparatively small oil deposits. This situation arose largely because of the relative prices of these two sources of energy in the past.

During the next 15 years, there would be a marginal decline in the consumption of non-commercial forms of energy. By 1991, the demand for non-commercial fuels is expected to fall to 181 million tonnes (in million tonnes of coal replacement) compared to 195 million tonnes in 1978-79. On the other hand, the demand for commercial energy is expected to continue to increase rapidly. An assessment of the likely future demands has been made by the regression method. The regression method indicates that the total demand of commercial energy would increase from 197 million tonnes to 868 million tonnes in 1991. The demand for coal in 1990-91 may be between 340 and 360 million tonnes, as against 88 million tonnes produced in 1974-75. The electricity generation required is estimated to 385 billion kWh in 1991, as against a consumption of 69.5 billion kWh in 1974-75. The demand for oil products may go up to 77,48 million tonnes in 1991. All these projections are, however, based on assumptions regarding the growth rate of the economy and other economic parameters. Changes in economic conditions, developments in technology and new discoveries of resources, create limitations to the value of such long term projections, and the above figures are thus more indicative than firm targets.

The actual programmes being implemented in the energy sector are governed by the Fifth Five Year Plan.

The position regarding the development of electricity, coal and oil, as envisaged upto the end of the Plan period is as follows :

The installed capacity for power at the end of the Fourth Plan (March 1974) was 18,500 MW. In 1973-74, the consumption of energy was 55.7 billion kWh. During 1974-75, 1720 MW of new capacity was added, and the consumption of energy increased to 57.5 billion kWh. During the current year, it is expected that the installed capacity would increase by about 2,600 MW, and the energy consumption would go up to 69.5 billion kWh. The target for the Fifth Plan is to add 16,500 MW of new capacity, and the production of energy is expected to increase to 123 billion kWh.

Coal production in 1973-74 was about 78 million tonnes. This increased to 88 million tonnes during 1974-75 and, during the current year, the production is expected to be between 98 and 100 million tonnes. The target for the Fifth Plan is 135 million tonnes.

The consumption of crude oil in 1973 was 20.5 million tonnes. In 1974, this increased to only 20.8 million tonnes. Between 1973 and 1974, the consumption of gasoline declined from 1.7 million tonnes to 1.3 million tonnes and fuel oil from 5.9 to 5.6 million tonnes. This decline was largely because of the increase in the prices of these products, and partly due to the general inflationary conditions prevailing. In respect of gasoline, the Government had deliberately increased the excise duty sharply, so as to curb consumption.

It is difficult to forecast the indigenous production of petroleum, by the end of the Fifth Plan, in view of the lack of precise data relating to production from Bombay High, and other indigenous oil fields being developed in the country.

Prior to November, 1974, the development of various forms of energy was being looked after by several Ministries. There was no formal arrangement for coordination and policy formulation in the energy sector. In November, Government constituted a Ministry of Energy, which is responsible for power and coal prog-

rammes. In addition, this Ministry was given the functions relating to the formulation of energy policy. A committee of the Cabinet to deal with matters relating to energy has also been constituted.

Government had in 1970 appointed a Fuel Policy Committee whose terms of reference to (a) Undertake a survey of fuel resources and the regional pattern of their distribution; (b) Study the present trends in exploitation and use of fuels; (c) Estimate perspective of demand by sectors (in particular the transport, industry, power generation industry and domestic fuel) and by regions and (d) Study the efficiency in the use of fuel.

This Committee submitted its report in 1974 and it has made several recommendations in the field of energy policy formulation. Government had also, subsequent to the increase in oil prices, appointed a large number of expert committees and groups to consider steps which needed to be taken to meet the changed circumstances. The reports of these committees have been received, and action in the energy sector is being taken on the basis of these reports, and the report of the Fuel Policy Committee.

Government have accepted that coal would be the primary source of energy in the coming decades. A rapid increase in the production of coal has been planned. It is envisaged that coal would be increasingly used for thermal power generation. In order to minimise the problems involved in the transport of large quantities of coal, having a high ash content, the intention is to increasingly go in for large capacity pit-head stations. The increased availability of electricity is expected to help in substituting for some forms of oil used, e.g., diesel for agricultural pumping.

Efforts are also being directed towards increasing the efficiency of coal-use by developing techniques such as fluidized bed-combustion and gasification of coal. Coal gas is expected to provide a substitute for certain uses of petroleum products.

Since two-thirds of the oil being consumed at present is imported, the direction of policy is towards reducing

oil consumption by use of other forms of energy. Simultaneously, efforts have been made to reduce comparatively low priority use of petroleum, by increase of tariffs. The price of petrol was, for example, increased very sharply, and a 21.5 per cent reduction in consumption was obtained in 1974.

The importance of developing non-traditional sources of energy has been accepted and India has considerable potential for using solar and geo-thermal energy. Solar energy has particular relevance for meeting the needs of the rural areas. Research and development in these areas has been intensified. The Department of Science and Technology is primarily responsible for all research work in the energy sector. A Co-ordination Committee has been recently set up. This Committee, amongst other things, would decide the priorities of research in the energy sector, review progress of research and advise on follow-up action on research and development results.

Measures, to the extent possible, are being taken to conserve energy and increase the efficiency of its use. Deliberate efforts are being made by all State Electricity Boards to flatten the demand curves, so that the system as a whole can operate at a higher load factor. In many States, considerable progress has been made in this respect and, as a consequence, it has become possible to utilise thermal capacity more intensively. As a long-term measure, it is also considered necessary to evolve and implement measures to increase the load factor, as this would reduce the requirement of additional installed capacity, and would also reduce the cost of the energy produced. Regional and inter-regional grids are being strengthened, as integrated operation of the systems can also help in meeting the requirements of energy in a more efficient manner by taking advantage of diversities, and in enabling surpluses to be transferred to deficit areas. All the Regional Load Despatch stations are expected to become operational during the current Plan period, and this would be a major step in evolving a national grid.

The production of energy and considerations of environment are closely inter-related. The construction of major hydel power projects and reservoirs has an

effect on the ecological system. Similarly, thermal and nuclear power production can lead to considerable atmospheric as well as water pollution. The production of coal has similar environmental problems specially where open cost mining methods are adopted. The working of oil refineries pose environmental hazards which need careful attention. The Government of India have accordingly constituted a high-level committee to examine all matters relating to environmental protection. A Water Pollution Control Act was passed in 1974 by Parliament and legislation for air pollution control is presently under consideration. It is intended that in developing energy resources, adequate and careful consideration is given to all problems relating to environment.

LLOYD'S AGREEMENT WITH INDIAN SHIPPING REGISTER

Lloyd's Register has signed a "dual class" agreement with the Indian Register of Shipping covering classification of ships and inspection of marine equipment already classed or intended to be classed with both organisations.

The arrangement provides for joint surveys where both have surveyors at a port or, by mutual agreement, one-party surveys on behalf of both at ports where only one is represented.

It covers exchange of technical information, preservation of the same standards of classification and maintenance of ships, co-ordination of surveys, approval of plans for new construction, and tests on materials and components.

Apart from the "dual class" agreement, Lloyd's has undertaken to provide similar services for the Indian Register on ships classed or intended to be classed only with the Indian Register.

FACTS ON PUBLIC SECTOR IN INDIA

In India's economic development, public sector enterprises have been playing a significant role. The principal objectives of these enterprises are to build a heavy industry base and to create infrastructural facilities for the country to be self-reliant and self-sufficient in modern technology, to expand employment opportunities, to achieve a more balanced regional development and to prevent concentration of economic power in fewer hands through public ownership of the means of production and participation in economic activity the cumulative effect contributing to raise the standard of living of the people.

Massive investments have been made in a wide spectrum of industrial and commercial activity by the Central Government. These enterprises range from the basic and strategic industries like steel-making, mining and metallurgical industries, petroleum exploration and refining, basic and intermediate chemicals, ship building and shipping, heavy machine building for steel plants, and so on. The public sector enterprises also produce a variety of goods and services besides these basic commodities—from the sophisticated electronic goods to products of common consumption like bread, cloth and drugs.

The most significant feature of the Indian public sector is the State entrepreneurship. Unlike most other countries where industries have been nationalised, in India the public sector is the outcome of a bold policy of State investments in new ventures and in creating new productive units. However, in some areas, nationalisation had to be resorted to in the larger interests of the national economy. The air transportation, the insurance business, the banks and, recently, the coal industry are cases in point.

In recent years, the State had also to shoulder the responsibility of rehabilitating a number of "sick units" to protect the interests of the workers as well as to ensure continued production from such units. Many of these units had become "sick" due to inefficient management by their owners. The State had necessarily to intervene.

In the last 25 years, investment of the Central Government in industrial and commercial undertakings had gone up steadily from Rs. 290 million at the beginning of the First Five-Year Plan to over Rs. 60,000 million today. Where there were only five undertakings then, today there are nearly 200 operating units spread over the length and breadth of the country.

Out of the total investment of Rs. 62,370 million as at the end of March, 1974, Rs. 20,290 million or 33 percent of the investment is in the steel plants. The minerals and metals industries have an investment of Rs. 8,730 million or 14 percent. In the petroleum industry, Rs. 3,600 million have been invested and in the chemical and pharmaceuticals Rs. 8,180 million. In the engineering industries, both heavy and medium, the investment is of the order of Rs. 8,210 million. This broad picture of the spread of the investment will give an idea of the concentration of the investment in the basic and core industries to strengthen the sinews of the country's industrial development. The balance of the investment is spread over the trading and marketing, transportation services, consumer goods and other support enterprises of an allied nature, which a balanced industrial economy needs for rapid growth.

India has built up, with the help of the latest technology, considerable capacities to produce steel, non-ferrous metals, coal, iron ore, petroleum, fertilizers, life-saving drugs, heavy machinery, power equipment and shipping capacity. The increase in production achieved over the last 8 years is reflected from the fact that the production of steel ingots in 1973-74 was 3.8 million tonnes as compared to 3.5 million tonnes in 1966-67, that of iron ore improved to 6 million tonnes from 1.9 million tonnes; coal to 75 million tonnes from 9.5 million tonnes; crude oil to 7.1 million tonnes from 2.45 million tonnes; refined petroleum to 11.6 million tonnes from 3.27 million tonnes; nitrogenous fertilizers 523,000 tonnes from 200,000 tonnes, phosphatic fertilizers 101,000 tonnes from 14,000 tonnes, telephones

258,000 numbers from 222,000 numbers and machine tools worth Rs. 412 million from Rs. 140 million.

In 1973-74, the turnover amounted to Rs. 68,100 million as compared to Rs. 53,240 million in the previous year. The growth in the sales income during the last 8 years has been of the order of 385 percent.

The public enterprises have in recent years contributed substantially to export earnings. In 1973-74, the enterprises earned a foreign exchange of the value of Rs. 6,930 million through exports of goods and services, as against Rs. 730 million during 1966-67.

Self-sufficiency, both in technology and machinery and equipment, being one of the primary objectives of public sector operations, considerable stress is laid on import substitution efforts by the individual enterprises. The major enterprises have set up technical cells to push through their progress of indigenisation of equipment and machinery. In the last few years, considerable headway has been made. During 1973-74, the total savings in foreign exchange effected by public enterprises through import substitution efforts is valued at Rs. 300 million. The enterprises which have taken leading role in this matter are : Oil and Natural Gas Commission (Rs. 70 million), Bharat Heavy Electricals Ltd. (47 million), Mining and Allied Machinery Corporation (Rs. 44 million), Hindustan Aeronautics Ltd. (Rs. 22.70 million), Instrumentation Ltd. (Rs. 23 million), the Indian Drugs and Pharmaceuticals Ltd., Hindustan Antibiotics Ltd., etc. The accent on indigenisation being pressed vigorously and it is hoped that the public enterprises will in the coming years depend less and less on imported items for their operations.

The total employment of all categories in the industrial and commercial undertakings of the Central Government in 1973-74 was 1314,000 which represented an increase of 225 percent over the 1966-67 figure of 405,000. □

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TRADE ADVISORY COUNCIL MEETS

Addressing the Advisory Council on Trade recently, India's Minister of Commerce Prof. D.P. Chattopadhyaya, has expressed concern over the sharply rising trade deficit in the last two years which was mainly because of the hike in world prices of oil and fertilizers and the higher cost of procuring the required quantity of food grains. The deficit in the country's foreign trade during the first five months of 1975-76 (April-August, 1975) was of the order of Rs. 3774 million as compared to Rs. 3400 million in the same period of 1974. The deficit during 1974-75 was in the neighbourhood of Rs. 11640 million, while in 1973-74 it was about Rs. 4320 million.

India's export earning has however been maintaining a high rate of growth. The exports were valued at Rs. 33040 million in 1974-75 in comparison with Rs. 25230 million in the previous year. In the first five month period of 1975-76, the exports amounted to Rs.

14613 million registering an increase of about 15.6 per cent over the exports in the corresponding period of the preceding year which stood at Rs. 12641 million. In this very period, Indian imports also rose to Rs. 18387 million registering an increase of 14.6 percent as compared to Rs. 16041 million in the same period of 1974-75. The recent decision of the Organization of Petroleum Exporting Countries (OPEC) to increase the crude oil prices, the Minister said, was going to hit the developing countries like India very adversely despite the fact that they have been trying to economise on oil consumption and explore their own oil resources.

India's Minister has however stated that there was no reason to be discouraged against this background. The whole world has passed through traumatic economic developments in the last year and half and even the developed economies are still in the throes of recession and the oil crisis. "We in India, on the other hand, have contained and reversed the inflationary trend in our economy."

The Minister of Commerce has pointed out that in pursuance of the directives of the Prime Minister of India, the Government has already significantly liberalised the import and export procedures and introduced certain positive features in the import trade control provisions with a view to encourage export production as also imposed deterrent penalties for the misuse of the facilities. Special measures have been taken to speed up import licensing. Certain general export promotion measures were announced too. The facility of making monthly applications for import replenishment licences and the grant of letters of authority for direct import of canalised items to export houses and manufacturer-exporters were well received by the exporting community. The scheme for supply of indigenous raw-materials at international prices for export production was also under constant review and the items kept on the list were only those which could be easily supplied by the indigenous manufacturers. Further, registration of export contracts has been allowed not only for capital goods and engineering goods but also for other items up to one year including supplies made in India under products financed by the International Development Agency (IDA). It has also been decided that duty draw back would be payable through the exporters' banks directly.

The Minister of Commerce then referred to India's participation in some International Trade Fairs and stated that on visiting some of these fairs he felt the India's capability in a wide range of new and unconventional lines has now become well recognized. At Frankfurt, for instance, over a hundred new contracts with definite and promising business prospects have been entered into. Similarly at the Zagreb Fair encouraging offers were received and business worth Rs. 20 million was finalised on the spot.

India has persisted in her efforts to greater regional co-operation among the developing countries of the ESCAP region, particularly with the neighbouring countries in South Asia. The Minister said that India's trade with Pakistan had begun after some initial hesitancy. With Iran, the range of India's Commercial and Economic understanding has been both widened and deepened.

Apart from the long term commodity agreement already entered into, India has secured the Iranian Government's assurance of help in respect of several of her industrial and agricultural projects. The form and content of India's trade with the centrally planned economies of East Europe and with the USSR have been undergoing a process of change. The need for production co-operation in certain identified fields has come to be appreciated and mutual trade relations are being re-shaped in realistic terms beneficial to each other.

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OUTLINE ON INDIA'S STEEL STRUCTURAL INDUSTRY

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SIZEABLE FOREIGN EXCHANGE FROM PSYLLIUM HUSK

Insignificant as it may sound, psyllium (Isabgul) husk has emerged as an important foreign exchange earner for India. This item secured an export value of Rs 69 million in 1974-75. The quantum exported in the year was over 5 million kg. In 1973-74, the commodity earned Rs. 30 million from its exports (3.2 million kg).

The substantial rise witnessed in the exports was essentially due to the larger off-take by USA. The US purchases were of the order of Rs. 58.4 million in 1974-75 in comparison to Rs. 24.4 million in 1973-74. Next to USA, the major markets have been France, United Kingdom and German Federal Republic.

Psyllium seed has also contributed more to the export sales. The foreign exchange earned from this amounted to Rs. 8.3 million in 1974-75 as compared to 3.4 million in 1973-74. The principal market for the seeds has been German Federal Republic whose purchases in 1974-75 amounted to Rs. 6.9 million.

India's psyllium seed and husk have gained sizeable demand abroad in view of their medical properties. They constitute important ingredients in the manufacture of medicines for stomach disorders and constipation.

ANTHRAQUINON TO JAPAN

Japan has been an important buyer of anthraquinon from India. Of the country's total export sales of this product amounting to Rs. 8 million, Japan absorbed worth Rs. 2.44 million in 1974-75. In terms of quantity, the total export sales in the year were 329,800 kg and Japan's purchases were of the order of 47,500 kg. Almost equally significant were the markets of German Federal Republic (Rs. 1.9 million), USA (Rs. 1.6 million) and Italy (Rs. 1.2 million).

In 1973-74, the exports of this chemical product was in the neighbourhood of Rs. 4 million. In this year, the principal customers were Switzerland, Netherlands, Italy, USA, Hungary and Japan.

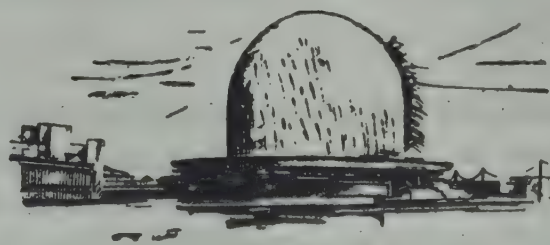
Besides anthraquinon, the chemical industry of India has also succeeded in exporting sizeable quantities of beta ionone and benzanthrone in recent years. The export value of benzanthrone was Rs. 3.8 million in 1974-75, the German Federal Republic being the principal buyer. With USSR as the major customer, beta ionone in the same year fetched Rs. 12.3 million.

GLASS AND GLASS-WARE EXPORTS IMPROVE

As against Rs. 37.7 million in 1973-74, the export turnover of Indian glass industry has looked up to reach Rs. 49.44 million in 1974-75. While the glass exports totalled Rs. 16.9 million in 1974-75 as compared to Rs. 13.67 million in the preceding year, the overseas supply of glass ware amounted to Rs. 37.55 million against Rs. 23.94 million in the respective years.

Glass is exported in various forms — in the form of mass, rods and tubes, optical glass, wired glass, wool and fibre, mirrors, window glass, laminated sheets and plates. But the major exports are in respect of window glass, laminated sheets and mirrors. Window glass exports are mainly to Nepal, Sri Lanka, Mauritius and Malaysia. Iran is another important customer for other varieties of drawn/shaped glass. Laminated sheets and plates supplied from India are particularly popular in Malaysia, Singapore, Sri Lanka, Iraq, Australia and Saudi Arabia. Glass mirrors are supplied among others to Dubai, Iraq and Bahrain Islands.

A wide range of glass ware is also exported by India including bottles and phials, glass inners for vacuum flasks, glass table ware, laboratory ware glass as imitation stones as well as bangles and fancy decorative glass ware.



FOREIGN EXCHANGE FROM SNAKE SKINS

Over Rs. 13 million was earned by India through the export sale of snake skins during 1974-75.

France and Spain were the leading markets and their import value in 1974-75 amounted to Rs. 4.1 million and Rs. 3.4 million respectively.

Other buyers included the German Federal Republic, Italy and Switzerland.

OVERSEAS SUPPLY OF PROCESSED FOODS

From Rs. 165 million in 1971-72 to Rs. 245 million in 1972-73, Rs. 310 million in 1973-74 and Rs. 420 million in 1974-75, the evaluation of India's export trade of processed foods would make an interesting study. The export target in 1975-76 is over Rs. 508 million. With the various measures taken for export promotion for this line, the industry is confident that the target will be achieved. The major product groups which have export potential in the processed foods industry are canned and bottled fruits and vegetables, dehydrated vegetables, meat and meat products, guar gum, instant coffee and instant tea, fresh fruits and vegetables, animal casings and walnuts.

In 1974-75 the European Economic Community emerged the principal market for the processed foods of India accounting for nearly 28 percent of Indian supplies. The USA and Canadian markets absorbed about 24.5 percent and West Asia nearly 19 percent. The other important area for these products has been the ESCAP region which took about 15 percent of India's total exports.

Exports to USSR of mango juices and instant coffee valued each at Rs. 10 million is under execution. It is envisaged that these exports from India to the developed market economies particularly the European

Economic Community would improve further in the near future mainly as a result of the concessions available under the generalised scheme of preference (GSP).

TOBACCO EXPORTS LOOK UP

According to the information received from the Tobacco Export Promotion Council, Madras the quantum as well as the value of the export of un-manufactured tobacco from India during the first half of 1975-76 (April-September, 1975) showed a sizeable improvement over the export performance in the corresponding period of 1974-75. The quantum of un-manufactured tobacco exported was of the order of 50.50 million kg. and the export value was Rs. 703.23 million during the April-Sept., 1975 as compared to 48.5 million kg at Rs. 556 million in the same period of 1974.

The United Kingdom, the most important traditional buyer, absorbed 15.7 million kg. at Rs. 252.6 million but the British purchases were less in this period as compared to 20.7 million kg. at Rs. 269 million in the first half of 1974-75.

Next to U.K. the other important buyers Soviet Union, proved to be the significant market and its purchases totalled 12.9 million kg. at a value of Rs. 203.7 million. This market bought only 9.3 million kg. at Rs. 120 million in the corresponding period of the preceding year.

In the Western World, the other important buyers of Indian tobacco have been Italy and Irish Republic. In South East Asia, Japan increased its off take from 4.7 million kg at Rs 63 million during April—September, 1974 to 5.2 million kg. at Rs. 92 million in the same period of the subsequent year.

EXPORT PERFORMANCE OF CASHEW

In the first half of 1975-76 Indian exports of cashew kernels amounted to 27895 tonnes valued at about Rs. 520 million. This was less than the exports in the half year in 1974 which was 36124 tonnes valued at Rs. 661 million. USA accounted for 10882 tonnes

and USSR 8,852 tonnes in the first of 1975-76. Other main buyers in the same period were Japan, Canada and Australia. As compared to the corresponding period in 1974-75 the first half of 1975-76 witnessed improvement in the off take by USA, Japan and Netherlands.

The quantum of cashew nut shell liquid exported was 2715 tonnes valued at Rs. 6.28 million, in the first half of 1975-76 as against 3191 tonnes valued at Rs. 6.94 million in the same period in 1974. USA, UK and Japan were the important buyers.

As for raw cashew nuts, the import quantum was 77905 tonnes valued at Rs. 189.50 million. The imports came down from 94331 tonnes valued at Rs. 213.50 million in the first half of 1974-75.

Thus the net export earnings during April-Sept., 75 was Rs. 336.70 million compared to Rs. 454.30 million earned during April-September, 1974.

In terms of value Indian cashew registered a record of about Rs. 1180 million during 1974-75 as compared to Rs. 740 million in 1973-74 and Rs. 690 million in 1972-73. Quantatively the exports which declined sharply from about 66,000 tonnes in 1972-73 to 52,000 tonnes in 1973-74, recovered to 65,000 tonnes during 1974-75.

There was a pronounced increase in the supplies to USSR from 206 tonnes valued at Rs 294 million during 1973-74 to 39,700 tonnes valued at Rs. 728 million during 1974-75. The supply to USA, which ranks second declined from 18,500 tonnes at Rs. 257 million in 1973-74 to 10,700 tonnes valued at Rs. 190 million in 1974-75.

HIGHLIGHTS OF INDIA'S **MONETARY POLICY**

CREDIT POLICY FOR BUSY SEASON ANNOUNCED

The Reserve Bank of India has recently announced the Government of India's Credit Policy for the current busy season (1975 76). While the set of additional margins on book debts and inventories imposed in Novem-

ber 1973 was withdrawn, certain relaxations in bank credit against sugar, groundnut, cotton, textiles, paddy and other consume goods were announced in the policy.

The policy stated that it was imperative to ensure that the efforts to sustain growth and stimulate investment would not cause the economy to move towards a fresh bout of inflation. Despite the anticipated increase in domestic output, there would be little scope for relaxation of monetary discipline pursued in the last two years. The broad structure of prevailing interest rates, namely, refinance/rediscout rates of the Reserve Bank, as also the deposit and minimum lending rates of commercial banks, would therefore, have to continue. At the same time, the Reserve Bank, would recognise the need for a certain degree of flexibility in the application of the existing criteria of credit discipline. While every assistance is to be provided to raise production, investment and exports, care would have to be taken to ensure that additions to inventories would not take place on the basis of bank credit and that the banks' recourse to Reserve Bank is kept at the minimum.

The policy also announced that with a view to regulating both the cost and the availability of Reserve Bank refinance more effectively in the present situation, the operation of the refinance facilities on the basis of the net liquidity ratio system would be replaced by the following arrangements :

Basic refinance limit : Banks will be entitled to a basic refinance limit equal to one percent of demand and time liabilities as of the last Friday of September 1975. A fixed rate of interest of 10 per cent will be charged on this basic refinance limit.

Food procurement refinance formula : The refinance formula in regard to financing public food procurement operations will be readjusted. An amount equal to 50 per cent of the increase in outstanding public food procurement credit between Rs. 4500 million and Rs. 6000 million will give banks a refinance entitlement of Rs. 750⁷ million. Full refinance can be availed of in respect of the increase in credit over an outstanding level of Rs. 6000 million. Refinance for food procurement will continue to be made available at 10 per cent and

banks are required to charge interest not exceeding 12 per cent on their advances for this purpose. This refinance formula will be in force so long as public food procurement advances do not exceed Rs. 9000 million. There are, however, indications that the level of food procurement credit will exceed this and that the banking system may also be called upon to provide additional finance for the fertilizer operations of the Food Corporation of India. The additional demands on these accounts may be of the order of Rs. 4000 million. The nature and size of assistance to be provided to banks then will be discussed at the appropriate time.

Other refinance accommodation : All other refinance accommodation will be strictly at the discretion of the Reserve Bank after taking into account the banks' general compliance with policy objectives, their credit-deposit ratio, sectoral priorities in deployment of credit and any special considerations that may be relevant in individual cases. The quantum of discretionary refinance and the rate of interest on various slabs of such refinance will be determined after discussions with individual banks. The rate of interest on such accommodation will range from 11.5 per cent to 18 per cent.

Export credit : A part of the discretionary accommodation will be directly related to the performance of individual banks in the field of export credit, with particular reference to the existing level of export credit, likely incremental performance, commitments to deferred payments exports, etc., and will be made available at a fixed rate of 11.5 per cent.

Special discretionary assistance : The special discretionary assistance provided in the past in favour of financing petroleum companies and public sector undertakings will be discontinued, save in special circumstances such as the need for forming consortium arrangements amongst banks to finance large borrowers.

Bill rediscount limit : A basic bill rediscount limit equal to 10 per cent of total bills purchased and discounted with banks as of the last Friday of September 1975 will be made available at Bank Rate. Additional bill rediscount limits will be granted at the discretion of the Reserve Bank after discussions with banks at rates ranging between 10 and 15 per cent. Such limits will be fixed broadly on the basis of practices followed last year.

Within this overall structure of policy, in order to bring about a measure of manoeuvrability in the credit operations of banks to enable them to respond to the complex situation prevailing in the economy, the following measures of flexibility have been decided upon :

Margins on book debts and inventories : The additional margins on book debts and inventories imposed in November 1973 (10 per cent on advances against inventories, 10 per cent on advances against book debts arising out of sales to Government and semi-government bodies, and 20 per cent on advances against other book debts) will be withdrawn. Banks should, however, use their judgement regarding any reduction from the existing levels of margins; these decisions should be based on the merits of each case, having regard to factors such as the permissible level of inventory, the borrower's deployment of owned funds and the nature of business activity.

Credit authorisation : The minimum limit in respect of prior credit authorisation will be raised from Rs. 10 million to Rs. 20 million for private sector undertakings. Banks are, however, expected to ensure that this does not result in any dilution of the standards of credit discipline in regard to both appraisal and supervision.

Commitment charge : The system of levying the commitment charge of one per cent on the unutilised portion of cash credit will be withdrawn.

Term loans : It is necessary that, in the context of the need to stimulate investment in the economy, the commercial banks seek to provide larger term loans for periods beyond three years at a somewhat reduced cost. The Reserve Bank has already given guidelines regarding the areas where the commercial banks should provide larger term loans. It will be desirable if banks charge interest not exceeding 15 per cent on term loans for periods beyond three years.

Taking into account the anticipated increase in the output of agricultural commodities and the needs of agro-based industries, the selective controls will be operated with some flexibility in the matter of minimum margins.

Sugar : Instead of the present minimum margins of 15 per cent on levy sugar and 25 per cent on free sale sugar, it is proposed to stipulate a unified margin of 15 per cent on both levy and free sale sugar., Groundnuts :

The margin on advances against stocks of groundnuts in the States of Maharashtra and Gujarat is being reduced from 75 per cent to 60 per cent; Paddy : The margin on advances against paddy to rice bills is being brought down from 45 per cent to 35 per cent., Cotton textiles : The margin on advances to traders, dealers and agents against cotton textiles (including cotton yarn and fabrics and yarn made out of manmade fabrics) is being reduced from 40 per cent to 30 per cent. Banks are also advised to adopt some flexibility in respect of margins against stocks of controlled varieties of cloth by allowing a reduction in margin by five percentage points., Essential consumer goods : In the case of essential consumer goods other than foodgrains, the banks are being advised to maintain a margin of 10 per cent on stocks in respect of advances to State/Central Government agencies undertaking the distribution of such commodities, subject to the availability of Government guarantee.

In planning credit deployment, banks have been urged to give primary attention to the requirements of public food procurement, fertiliser distribution, exports, public sector manufacturing units, industries in core and mass consumption areas, small borrowers including small-scale industries and term loans to stimulate investment in priority areas. The overall credit expansion during the ensuing busy season, it is stated, would have to be sustained in the main through the banks' own resources after providing for statutory requirements. The Reserve Bank support except in respect of food procurement credit will be essentially of a limited and temporary nature to meet the pressures from seasonal industries. Banks should make sure that too much reliance on this source does not create problems of liquidity and endanger their overall credit plans.

A review of the monetary and credit trends in India would reveal that the severe inflationary pressures witnessed in 1973-74 have been brought under check by the package of monetary and credit measures taken along with the fiscal and administrative steps initiated by the Government. The wholesale price index, which touched a peak of 330.7 in September 1974, stood at 308.4 in the middle of October 1975. Monetary expansion has also been contained; with money supply showing a rise of 6.3 per cent in 1974-75 against a little over 15 per cent each in 1973-74 and 1972-73. Nevertheless, the

overall economic situation cannot be viewed with complacency. Wholesale prices have remained more or less unchanged since March 1975 and the expansion in money supply during the current financial year till October 17, 1975 has already exceeded five per cent, as against a little over two per cent in the corresponding period last year. Due largely to a big increase in food credit, the expansion in gross commercial bank credit during the 1975 slack season (October 17, 1975) has also been larger at Rs. 5270 million, whereas last year during the same period there was a decline of Rs. 470 million. There has doubtless been a faster accretion to aggregate deposits (Rs. 11,300 million, against Rs. 9050 million), but the banking system's indebtedness to the Reserve Bank at Rs. 2730 million on October 17, 1975 was not inconsiderable, although a good part of the Reserve Bank assistance was provided on account of financing public food procurement operations. While a good agricultural crop is expected, some parts of the industrial sector have been adversely affected by a slackening of demand, both domestic and foreign, requiring an adjustment in production and prices to market conditions; such trends are particularly evident in industries such as steel, transport equipment and industrial machinery. The revival of demand in these areas would obviously depend on a selective increase in investment expenditure.

INVESTMENTS BY NON-RESIDENT INDIANS IN INDIAN COMPANIES

Under the existing Exchange Control Regulations, non-resident Indians/persons of Indian origin resident abroad are generally allowed to make investments out of their funds held in India or by inward remittances subject to, inter alia, their giving an undertaking not to seek repatriation of capital invested or income thereon.

The Government of India has recently announced that non resident Indians/persons of Indian origin resident abroad will be allowed to invest in equity capital of a wide range of permitted industries upto a maximum of 20 per cent of the newly issued equity capital of new companies. This scheme envisages that non resident Indians/persons of Indian origin resident abroad will be permitted to subscribe to the new capital issues of shares by new

companies for setting up new projects subject to the condition that the total such holding by one or more non residents will not exceed 20 per cent of the proposed new equity capital of such companies. These investments will be allowed to be repatriated along with income accruing thereon subject to the applicable taxes provided that such investment is made by remittances from abroad through approved banking channels or out of funds held in the non-resident (external) accounts. Such investments will be allowed in all industries (in the large medium and small scale sectors) except certain industries such as coal, powerloom textiles, milkfoods, vegetable oils, leather, metals, steel pipes and tubes, bright bars, tin and metal containers, drums and barrels, mild steel wires, steel rerolling, non-ferrous semi alloys, industrial gases, alcoholic drinks and items reserved for small scale sector if the value of the plant and machinery imported exceeds Rs. 0.5 million.

The investment made by non resident Indians/ persons of Indian origin resident abroad under this scheme would be in addition to any foreign equity investment that may be permitted by the Government of India in the company concerned.

Non-resident Indians/persons of Indian origin resident abroad need not apply direct to the Reserve Bank for permission to purchase shares under this scheme.

MEASURES TO ATTRACT FOREIGN EXCHANGE FROM INDIANS ABROAD

With a view to encouraging the inflow of inward remittances through banking channels from non-resident Indians and persons of Indian origin, the Government of India have recently announced that such persons may open non-resident accounts in designated foreign currencies with authorised dealers in India for remittance of their savings from abroad. Interest on the balances in such accounts will be paid in the designated foreign currencies in which the accounts are held and the balances in the accounts, including interest, will be repatriable in the same designated foreign currencies. Under this arrangement, the exchange risk to the non-resident account holders will be completely eliminated. As these new accounts will be in the nature of non-resident (external) accounts, interest accruing on the balances held in the new foreign currency accounts will be entirely free

of Indian income-tax. Further, the balances in the accounts as well as the income accruing thereon may be remitted abroad freely at any time by the authorised dealers without reference to the Reserve Bank.

It has been decided that the proposed scheme for the maintenance of non-resident accounts in designated foreign currencies should be brought into operation with effect from November, 1975. Authorised dealers should note that the facility of opening accounts under the scheme will be available only to persons of Indian nationality or origin resident abroad. The accounts to be opened under the scheme will be known as "foreign currency (non-resident) accounts". It has also been decided that the exchange risk involved in maintaining the non-resident accounts in designated foreign currencies and repatriating the balances in those currencies along with interest accrued thereon should be borne by the Reserve Bank. Accordingly, authorised dealers will be required to sell to the Reserve Bank the entire amount of inward remittances received by them under the scheme and the Reserve Bank will sell to the authorised dealers, on application, the amounts purchased by it earlier, as and when the amounts are required to be repaid to, or under the instructions of, the account holders. The purchases from authorised dealers and sales to them will be undertaken by the Reserve Bank at level rates. The Reserve Bank will also sell to the authorised dealers foreign currencies to cover the interest accruals on the balances held in the foreign currency (non-resident) accounts.

It has been decided that the foreign currency accounts will be allowed to be maintained for the time being in Pounds, Sterlings and U.S. Dollars. For the present, and pending any extension or modification of the scheme, the foreign currency funds may be held in term deposits for periods ranging from 91 days to 61 months at the choice of the depositors.

ASIAN CLEARING UNION

On the initiative taken by the U.N. Economic Commission for Asia and Far East (ECAFE) renamed Economic and Social Council for Asia and Pacific and as a first step for securing regional co-operation among these members, the Asian Clearing Union was established

on December 9, 1974. An agreement to form the Union was signed by the Central Banks of Bangla Desh, India, Iran, Nepal, Pakistan and Sri Lanka. The primary purpose of the Clearing Union is to enable settlements in regard to the current transactions among the participating countries to be made on a multilateral basis on the analogy of a clearing house for bank cheques. The clearing arrangements are to commence from November 1, 1975. The Reserve Bank of India has in this connection designated 29 authorised dealers to handle transactions which are to be cleared through the Clearing Union. The selection of banks has been made on the basis of the value of export transaction handled by them with the other participating countries of the Union during a particular period.

Although Nepal is also a member of the Asian Clearing Union, payments between Nepal and India would not be eligible to be routed through the clearing facilities. For the present, therefore, transactions between India and the remaining members of the Union, would be required for clearing through the Clearing Union. Also, payments in respect of petroleum, natural gas and their products would not be eligible being cleared through the Clearing Union.

The facility of channelling between the participating countries through the Union is optional and there would be no bar to making or receiving payments in the prescribed manner presently permitted under the exchange control regulations. Although payments in respect of exports from India to any of the member countries or in respect of invisible receipts such as technical know-how fees, royalties, dividends, freight and insurance which are eligible to be channelled through the Union, will be received under the clearing arrangement by the respective undertaking and not by a authorised dealer.

In the case of documents relating exports from India to the other members country (other than Nepal) which will routed through the ACU designated by RBI to certify the copies of the G.R.I./Export Promotion/PP forms simultaneously on receipt of reimbursement from the Reserve Bank of India of the proceeds of the bills negotiated under letters of credit, and submit the same to RBI, along with a special 'R' return prescribed for Union transactions.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

RECENT TRENDS IN INDIAN ECONOMY

The continuous and steeply rising trend in the Indian Economy since 1972-73 was reversed by the end of September, 1974. The price decline is largely due to the various anti-inflationary measures, fiscal and monetary, introduced during 1974-75. With a view to minimising resort to deficit financing with steadying the tempo of investment activity, particularly in the vital and core sectors of the economy, the Government of India and the State Governments are estimated to have raised a record level of additional resources (Rs. 10480 million during 1974-75). Consumer expenditure was also sought to be restrained by various measures. The Bank rate was raised by the Reserve Bank of India (July, 1975) from 7 percent to 9 percent and commercial banks are directed to raise their minimum lending rate from 11 percent to 12.5 percent. Also money supply during 1974-75 registered a substantially lower expansion—6.3 percent as against 15.2 percent in 1973-74.

It has been estimated that the national income in 1973-74 increased by 3.1 percent. As against Rs. 19,7240 million in 1973-74, the net national product grew to a provisionally Rs. 20,180 million in 1974-75 (1960-61 prices). It has been estimated that the agricultural production was around the same level in 1974-75 as in the previous year. The foodgrain production increase only marginally to Rs. 105 million tonnes in 1974-75 in contrast to 103.6 million in the previous year. Production of oil seeds has been to be around 8.3 million tonnes as compared with 8.7 million tonnes in comparable year. The output of the some of the commercial crops like cotton and sugar was higher. Cotton production has been estimated to be higher around 7 million bales as against 6.8 million bales; likewise the sugar was 4.8 million tonnes as compared to 3.9 million tonnes.

Industrial production which had almost stagnated during 1973-74 has been estimated to have increased from 3 to 3.5 percent during 1974-75. In this year there was

a marked improvement in the working of several public sector units. The output of saleable steel increased by 10.4 percent and that of coal and power by 8.5 percent and 6.1 percent respectively. Apart from these sectors, the heavy industry unit in the public sector have also increased their production.

The industries that reflected increased during 1974 were light, medium and heavy structurals, copper sheets and circles, soda ash, machine tools, cement mill machinery, chemicals and pharmaceutical machinery, paper and pulp machinery, sugar machinery and textile machinery, cycle tubes, radio receiver, and electric fans, to name a few.

In the present economic situation in India emphasis has been laid on the growth of five priority industries namely, sugar, paper, cement, fertilizers and textiles. The the present installed capacity of the sugar industry is estimated 4.3 million tonnes distributed over 244 sugar factories involving a total capital investment of over Rs. 6,000 million. Proposals for creation of additional capacity of 2.37 million tonnes through new projects and 46 schemes of expansion of existing factories have already been approved. If all the licences issued so far got fructified the installed capacity of the industry will be reaching a level of 6.67 million tonnes. An interesting aspect of the sugar industry is that the co-operative sector accounts for over 40 percent of the country's sugar output. There were only 3 co-operative units in 1955-66 which increased to 90 in 1974-75.

The installed capacity of paper and paper board in India is around one million tonnes per year distributed among 70 units. Licences for an additional capacity of 627,000 tonnes have been granted, while letters of intent have been issued for a total capacity of about 1.8 million tonnes per year. On the basis of progress and implementation by some units, it appears that additional capacity for about 139,000 tonnes might materialise by end of 1975.

The present installed capacity of the cement industry is placed at 19.86 million tonnes per year. An additional capacity of 13 million tonnes needs to be built up to

achieve the fifth plan target of 33 million tonnes. An additional capacity for over 20 million tonnes per year has already been approved of which over 7 million tonnes will be in the public sector and nearly 13 million tonnes in the private sector. It is expected that an additional capacity of 2 million tonnes would materialise in the next two years.

The fertilizer industry comprising nitrogenous, phosphatic and potash fertilizers occupies an important position in India's economic development. The total installed capacity in the country is 2.54 million tonnes distributed over 54 units (1.98 million tonnes nitrogenous fertilizers; 560,000 tonnes for phosphate fertilizers). Actual production has been about 1.4 million tonnes indicating a capacity utilization ratio of 5.6 percent. In the field of nitrogenous fertilizers, an additional capacity for 4.53 million tonnes per year has been planned. The total installed capacity of fertilizers is expected to rise steeply to 6.5 million tonnes in the near future. As regards phosphatic fertilizers, an additional of capacity 1.36 million tonnes per year has been either licensed or is planned. Domestic capacity in the fabrication of several items of fertilizer plants has been well established but India continues to depend upon import of certain specialised items of equipment such as high pressure vessels and reactors, seamless pipe fittings, pumps and instruments.

Occupying the premier position in the economy among the manufacturing industry, the textile industry contributes sizeable proportion of indian industrial output, employment and exports. The industry consists of the mill sector and de-centralised sector comprising handlooms and power looms. Presently there are 686 cotton textile mills in the country consisting of 396 spinning mills and 290 composite mills. The installed capacity of the textile industry is 18.5 million spindles and 200,000 looms. The production of cotton yarn and cloth in 1974 was around 1008 million kg and 4300 million metres respectively. In the de-centralised sector there are about 3 million cotton handlooms, 180,000 cotton powerlooms and 1,00,000 non cotton powerlooms in the country. The output of cotton cloth in the de-centralised sector was around 3654 million metres (1973).

FACTS ON ALUMINIUM INDUSTRY

The production of aluminium ingots in India was in the neighbourhood of 210,000 tonnes in 1974 while actual output in that year was nearly 129,000 tonnes. The output in 1973 was 155,000 million tonnes. The production of aluminium sheets and circles in 1974 was of the order of 44,580 tonnes which was also less than the 53,620 tonnes production in 1973. The capacity in the sheets and circles sector was over 60,000 tonnes in 1974. The production of aluminium foils was 5830 tonnes in 1974 as against the installed capacity of 7200 tonnes.

Aluminium exports in 1974-75 fetched Rs. 54 million as compared to 40.00 million in 1973-74. The major line of export was in respect of ACSR aluminium conductors which earned Rs. 41 million, Iraq being the major customer (Rs. 18 million) apart from Hongkong, Libya, Iran and Malaysia. Sizeable exports of aluminium bars and rods plates and sheets and foils have also been effected in the year. Japan constitutes the major market for aluminium foils.

Aluminium industry is one of the protected industries in India. The other protected industries are automobiles, dye stuffs and intermediates.

With the expansion of Indian Aluminium Company and Madras Aluminium Company, the installed capacity of aluminium ingots has resulted in a 8.5 percent increase. The capacity for aluminium sheets and circles has also increased. Indadequate power supplies, non-availability of coal in sufficient quantities and transport difficulties had hampered production of the protected items of aluminium ingots, sheets and circles and foils. The accumulation of stocks of these items revealed a sharp decline at the end of 1974 as compared to the preceding year.

Import of E.C. Grade aluminium has been allowed to actual users through Minerals and Metals Trading Corporation (MMTC). Aluminium circles, sheets and

foils have also been permitted to be imported on restricted basis.

OUTLINE ON INDIA'S STEEL STRUCTURAL INDUSTRY

The Steel Structural Fabrication Industry in India covers a broad range of items including steel structures for buildings and factories, power house, bridges, roadways and railways, hydraulic structures like gates, penstocks, tabular structures and structures for conveyors and so on.

It has been estimated that there are about 140 numbers of large and medium fabrication shops with an annual capacity of 500,000 tonnes engaged in the fabrication of these and other items. The industry's total output was however estimated at 144,000 tonnes in 1973. Besides, several units have been registered for the various fabricated items under the recently liberalised licensing policy of the Government of India. In short, the Steel Structural Fabrication Industry in India has come upto a stage of self sufficiency both in terms of technology and comparability of quality with international standards.

The Indian economy is not only able to meet its full domestic requirements in this fabrication industry but is also able to spare substantial surplus quantity for exports. The export earnings which were of the order of Rs. 74 million in 1971-72 gradually improved to Rs. 109 million in 1972-73, Rs. 113 million in 1973-74 and Rs. 156 million in 1974-75. The principal exports were transmission line towers, cranes and lifts, boilers including pressure vessels and other structurals.

This industry's capacity to step up production and export earnings would have been better but for the shortage of raw materials particularly steel plates and sections.

One important line of production by this industry relates to transmission line towers which are required for transmission of power. For the output of these towers, Indian Industry is self-sufficient and is able to spare substantial quantities for export markets. It can be proudly

said that transmission towers of any voltage and sophistication can be fabricated in India. The existing capacity of this industry is to the tune of 180,000 tonnes per year approximately and the production during 1974 was of the order of 75,000 tonnes. The export progress of transmission line towers can be noticed from the fact that the foreign exchange earnings more than doubled from Rs. 24.40 million in 1973-74 to Rs. 51.20 million in the subsequent year. Among the markets for these towers have been countries like USA, Iran and Nigeria.

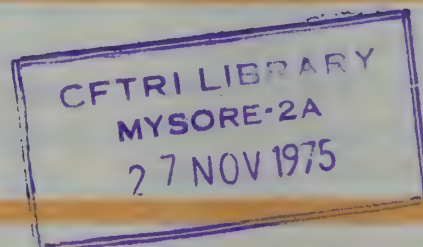
Conveyors and elevators constitute another segment of production by the steel structural fabrication industry. These items of varying types are being manufactured in India by 23 firms with a total installed capacity of about Rs. 200 million. The estimated production during 1974 was nearly worth Rs. 230 million.

The cranes and lifts industry has also made a mark in terms of product improvement and export drive. There

are 30 units in India's organised sector that are engaged in the manufacture of cranes with a total installed capacity of 45,670 tonnes. The manufacture of cranes includes not only light and medium duties but also of heavy and sophisticated duties. The production is 13,000 tonnes per year. Indigenous cranes builders are now producing such sophisticated cranes as steel mill, ladle cranes, soaking pit cranes and heavy duty wharf cranes including ship building cranes. An interesting feature of crane manufacture in India relates to the gradual reduction of import content. For highly sophisticated cranes however some import of components is being resorted to.

While the capacity for the production of lifts has been placed at nearly 1400 numbers per year, India's production of this product is around 600 numbers a year. The cranes and lifts together earned nearly Rs. 8 million by way of exports during 1974-75. □

economic and commercial news



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INDIA TO SET UP PAPER INDUSTRY IN ZANZIBAR AND GUYANA

One of the public sector undertakings in India under the Ministry of Industry and Civil Supplies, the National Industrial Development Corporation, is to establish paper and pulp industry in Zanzibar and Guyana.

The State Planning and Development Commission of Zanzibar has appointed the NIDC to undertake a comprehensive investigation into the possibility of establishing a pulp and paper industry in Zanzibar based on locally available raw material. A team of NIDC experts will be leaving shortly for that country to undertake the project.

The NIDC has also received a commission from the Government of Guyana to prepare a project report for the setting up of a paper recycling and converting plant in that country. This project will be the starting point for the development of a pulp and paper industry in Guyana. Such an industry is considered to be of crucial importance to the economy of that country.

FOREIGN EXCHANGE FROM JOINT VENTURES ABROAD

The exports of capital goods, generated by India's joint ventures abroad, amounted to Rs. 250 million, against an investment of about Rs. 100 million. Other cash inflows in the shape of dividends, technical know-how fees, royalty and management fees, totalled about Rs. 30 million. When more joint ventures reach profitable stage, the returns are expected to increase further.

At present, there are 61 joint ventures in production in as many as 28 countries. Out of these, 34 are in South East Asia, two in Middle East including Iran and Afghanistan, 15 in Africa and 10 in West Europe and America. Nearly 35 percent of these ventures have reached profitability stage.

The number of joint ventures under various stages of implementation is 68. Out of these, 41 are in South East Asia, 14 in Middle East including Iran and Afghanistan, nine in Africa and four in West Europe and America.

Special thrust has been made in the Oil rich Arab countries where the number of joint ventures is increasing gradually. Earlier, the majority of joint ventures were in South East Asian countries.

A new landmark has been made in this field by introducing consultancy joint ventures. A Calcutta-based firm has already set up a joint venture unit in Hong Kong for supply of such services. Another firm has been permitted to set up a unit in Malaysia to supply management consultancy services. In the field of supply of technical know-how in chemicals and dyestuffs, a Bombay based firm is setting up a unit in USA in collaboration with an American party. Very recently, the Government has approved 11 more joint ventures to be set up in various countries like Zambia, Dubai, Abu Dhabi, Malaysia, Indonesia, Singapore and Mauritius.

The joint ventures are one of the important methods in the country's export strategy. It helps exports of capital goods and in creation of an image of India as a supplier of plants and machinery, technical know-how, export services, consultancies, management services and so on. Various developing countries in South East Asia, Africa and West Asia have industrialisation programmes and Indian entrepreneurs are in a position to meet the requirements by supplying goods and services. Joint ventures have also established that India is competent in setting up large industrial complexes.

The joint ventures have not only projected a better image of industrialised India but have also been a medium of goodwill to the developing countries. The Indian entrepreneurs have established an atmosphere of cooperation between India and these countries. Besides, when all the 129 joint ventures (61 in production and 68 under implementation) will have started full production, India will not only receive cash inflow in shape of dividends etc. but will also be the main supplier of spares and components. These spares and components will in turn be a regular source of earning foreign exchange.

INDIA TO BUILD STEEL PLANT IN LIBYA

An Indian Engineering Consultancy Firm M/s. Dastoor & Co. is reported to have bagged a sizeable contract for building an integrated steel plant at Libya. The contract has been awarded against competition from several leading firms in USA, UK, France, German Federal Republic and Italy. The contract involves the supply of comprehensive design, management of const-

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RECORD ACHIEVEMENTS OF STEEL PLANTS

OUTPUT TRENDS IN SELECTED INDUSTRIES

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rection and erection of the plant as also assistance during start up and commissioning of the plant. The job is worth over Rs. 100 million in management and consultancy fees alone. The contract further involves helping in the recruitment and training of Libyan Engineers, Operators and other staff.

M/s. Dastoor & Co. is an established steel and engineering consultancy firm in India. The firm has retained over-all consultancy for steel projects in Libya including the infra-structure portion. The contract which has been secured now from Libya is stated to represent not only the largest single order received by any firm in India in this line, but also one of the biggest in recent time even in the international arena.

The first half of the project is to erect the steel plant and the second half to provide a large infra-structure like provision of a trans-country gas pipeline, large port and harbour, power house, and so on.

The steel plant in Libya is to start with a capacity of 0.5 to 1 million tonnes of steel with a provision for expansion upto 5 million tonnes. The assignment to the Indian firm includes the preparation of Master Plan upto the 5 million tonnes expansion stage.

The Indian firm which has won the Libyan contract has certain other projects on hand. It is supplying know-how to a steel plant where for the first time in the world, gas turbines are being used to supply power to electric furnaces. In Venezuela, a good number of engineers of the Company are working. In Colombia, this firm was awarded the prestigious contract for undertaking a seven month study on the Steel Industry on behalf of the Government of Colombia.

Besides the above Indian firm, certain other reputed concerns of India are also endeavouring to secure contracts from Libya. For instance, the National Building Construction Corporation (NBCC) is trying for a sizeable contract in Libya for the construction of a Language Centre Complex in the Faculty of Education, University of Tripoli, Libya. A Delegation headed by the Dean of Faculty of Education of Tripoli University has recently visited the Aligarh Muslim University in Northern India to assess the standard and quality of the work of

the University Complex, portions of which were constructed by the NBCC.

SUGAR MANUFACTURING MACHINERY TO MALAYSIA

Malaysia has been the principal importer of sugar mill machinery from India. This machinery fetched nearly Rs. 34 million through its export trade in 1974-75. Malaysian imports were in the neighbourhood of Rs. 20 million. The other notable importers in the year were Uganda and Indonesia. Liberia is another promising market for sugar cane crushers.

The sugar mill machinery industry of India has received past orders worth over Rs. 130 million during 1974-75. The industry is hopeful of securing an export realization of about Rs. 85 million in 1975-76. The most promising market seems to be Indonesia where the re-habilitation of the existing mills has been taken in hand in a big way.

The sugar mill machinery sector in India has an annual capacity to produce 23 complete plants, besides manufacturing individual machinery items to the tune of nearly Rs. 100 million. Further capacity to produce six additional plants in a year is in the pipeline. Actual production of this industry in 1974 was estimated to be of the value of Rs. 225 million. There are 16 units engaged in the manufacture of the machinery and their installed capacity is worth Rs. 282 million. The current licensing policy of the Government of India allows further licensing of this industry with a view to adding to the existing capacity. Foreign collaboration is not considered necessary for the manufacture of the machinery in view of adequate know-how being available indigenously.

There are prospects of installation of sugar plants of over 2000 tonnes per day crushing capacity. To meet the internal need and export demand, it has been found necessary to create additional manufacturing capacity of Rs. 200 million by 1978-79. This additional capacity is sought to be achieved either through the expansion of existing sugar machinery units or through diversification of heavy engineering units.

INDO-POLISH TRADE CO-OPERATION

The progress of Indo-Polish trade is under review. India's Commerce Minister, Prof. D.P. Chattopadhyaya recently visited Poland at the invitation of the Polish Government.

Apart from the export of traditional commodities, India will like to supply non-traditional goods like automobile equipment, electronic components and marine products. India will also like to be assured of supplies of fertilizers and sulphur from Poland on a long-term basis.

Next to USSR, Poland is India's largest trading partner in East Europe. Trade between India and Poland has been growing steadily over the years. The trade turn-over between India and Poland during 1973 was of the order of Rs. 860 million which increased to Rs. 1330 million in 1974. It is anticipated that the trade turn-over for 1975 will be of the order of Rs. 1500 million.

The main items of Indian exports to Poland include oil cakes, tea, pepper, hides and skins, coffee, cotton textiles, jute goods, rayons and synthetic fibres, machine tools, hand tools, sanitary fittings, cycle parts, finished leather, ready-made garments and plastics.

Poland is one of the main suppliers of fertilizer and sulphur to India. Other imports from Poland include ships, dye intermediates, pharmaceuticals, refractories and machine tools.

An official level trade talk between India and Poland to finalise the Trade Plans for 1976 is scheduled to be held in Delhi shortly. The Indo-Polish Trade and Payments Agreement, within the framework of

which Annual Trade Plans are made, was last concluded in 1974 and will be valid up to December 31, 1979.

INDIAN EXPORTS TO YUGOSLAVIA TO BE DIVERSIFIED

With the conclusion of the talks at Indo-Yugoslav Committee on Trade recently, the list of items which are to be supplied to Yugoslavia from India has been diversified. The list includes items like tyres and tubes, finished leather, tractor components, pig iron of various types, automobile parts, instant coffee and tea including tea bags and packet tea.

Indo-Yugoslav Trade has witnessed sharp rise in its volume and value during 1974-75. Indian exports to Yugoslavia amounted to Rs. 296.88 million as compared to Rs. 238.62 million in 1973-74. Indian imports from Yugoslavia in these two years totalled Rs. 96.91 million and Rs. 86.23 million respectively.

The Indo-Yugoslav Committee on Industrial Co-operation which also concluded its deliberations recently expressed satisfaction at the prospect of setting up a foundry project for production of auto motive castings in Madras on an export oriented basis. The progress of certain other projects in India with Yugoslavia's assistance like the export oriented leather processing plant in Madras and the setting up of a fuel injection equipment near Delhi have also been appreciated. The possibility of setting up of Indo-Yugoslav Joint Venture Projects in India like lubeoil and bitumen blowing/storage plants was also discussed. Also the prospect of India's obtaining sub-contracts from Yugoslavia for the supply of wire, rope and strands to a Yugoslavia firm which bagged main contracts in Libya, Kuwait and Zambia was welcomed. The possibilities of co-operation in construction of shipyard in West Asia was also discussed in the context of Indo-Yugoslav co-operation in third countries.



RECENT MEASURES TO LIBERALISE INDUSTRIAL LICENSING

The Ministry of Industry and Civil Supplies, in the Government of India have recently announced three schemes which facilitate the creation of additional production capacity in selected sectors of manufacture. One of the schemes which recognises additional capacities created as a result of replacement of modernisation of equipment is intended to help industrial units faced with technological obsolescence. Under this scheme, it has been decided that in cases where increased output is a direct consequence of the replacement of the old equipment, amendment in the industrial licences would be granted provided that such replacement or modernization of equipment would not result in any encroachment of products reserved for the small scale sector, and provided there would not be net increase in the outgo of foreign exchange. It has also been clarified that increase in capacity under this scheme would be over and above the normal permissible limit of 25 per cent in production over the licensed/approved capacity. The other scheme that has been announced recently is in respect of automatic growth of capacity in selected engineering industries. This scheme aims at helping engineering units which are of importance to India's export effort : these include automobile ancillaries; Castings and closed die forgings; Tractors, Commercial Vehicles; Conveying equipment; Diesel engines and pumps, Cranes, Earthmoving, mining and metallurgical equipment; Hydraulic equipment; Industrial machinery, including chemical plant and machinery, Machine Tools; Textile machines; Power transmission and distribution equipment (other than cables and wires); Power transformers and Switchgears.

Under this scheme, the industrial undertakings in the above industries will be automatically permitted to grow at the rate of 5 per cent per annum in physical terms over their present authorised capacity, limited to 25 per

cent in a planned period in one or more steps. Such increase in capacities will also be over and above the normal permissible limit of 25 per cent in production over the authorised/licensed capacities.

The facility of automatic growth, however, would not be available to undertakings having foreign collaboration agreements with restrictive clauses inhibiting exports.

Yet another scheme that has been announced by the Government of India recently was in respect of utilization of the results of in-house Research and Development for commercial exploitation. This scheme is intended to encourage in-house research and development efforts by industrial undertakings through the provision of advanced assurance that the undertaking concerned would be permitted to set up or expand capacity based on such research and development.

The above schemes will, in course of time, it is hoped, create additional production capacities in those industrial areas which are either export oriented or aimed at product development and diversification.

NATIONAL INCOME ESTIMATES

According to the information available from the Central Statistical Organization, the quick estimates of India's National Income for 1973-74 revealed an increase of 3.1 per cent over the year 1972-73 which had witnessed a decline of 0.9 per cent over the previous year. The recovery in national income at constant prices from Rs. 191,300 million in 1972-73 to Rs. 197,240 million in 1973-74 was mainly the result of an increase of 7.5 per cent in foodgrains production coupled with a rise of 8.4 per cent in the output of oil seeds. At current prices, the national income in 1973-74 at Rs. 492,900 million recorded an impressive rise of 24.5 per cent over the previous year against a growth rate of 8.2 per cent in 1972-73. This was mainly the result of significant price rise.

The per capita income at constant prices at Rs. 340.10 in 1973-74 was up by 0.8 per cent over 1972-73. But the per capita income at current prices reached the level of

Rs. 849.8 in 1973-74 recording an increase of 21.7 percent over the preceding year's level.

At current prices, the net domestic product was Rs. 496,280 million in 1973-74. This was made up of 261,860 million (52.8 percent) from the primary sector (agriculture, forestry, fishing and mining), Rs. 908,90 million (18.3 percent) from the secondary sector (manufacturing, construction and electricity), Rs. 74700 million (15.1 percent) from the transport, communication and trade sectors; Rs. 18810 million (3.8 percent) from real estate and the rest from Community and personal services. The agriculture sector alone contributed nearly 50 percent of the total domestic product in the year, while the manufacturing sector accounted for 13 percent, construction 4.5 percent, transport, communication and trade 4 percent and so on.

PRODUCTION PROFILE OF ELECTRONIC EQUIPMENT

The electronic industry in India has witnessed considerable diversification in recent years. A wide range of components and equipment has come to be fully established both in terms of quality and technical specifications required.

Radio Receivers for instance have a production capacity of 3.18 million numbers every year. The installed capacity is of the order of 2.63 million numbers per annum. As against this, the production of these receivers was estimated at 2 million numbers in 1974. The bulk of components required to produce radio receivers are available indigenously and only a few are needed to be imported. No fresh foreign collaboration is considered necessary to expand this industry.

The number of Television receiving sets produced in 1974 was 26,000, while the installed capacity for their production is 35,000 per annum. It is estimated that by 1978-79 the production capacity of T.V. receiving sets in India will have been raised to 500,000 as against the licensed capacity and the capacity covered by letters of

intent as of now at 105000 numbers. The majority of components and raw materials required in the manufacture of T.V. sets is also available from indigenous sources.

Transistors and diodes is another line of manufacture which has recorded progress. While the licensed capacity for their production is 155.3 million nos., The installed capacity is 84.4 million nos. per annum. In 1974, India produced 72.20 million nos. of these items.

Receiving valves are produced only by one public sector unit namely Bharat Electronics Limited, Bangalore. The installed capacity is 10 million nos. per year, while actual production in 1974 was estimated at 5.10 million numbers. Both the proposals for expansion of capacity and foreign collaboration in this line of production can be considered on merits.

Potentiometers (carbon track) constitute another important electronic equipment whose production in India has picked up well in recent years. This equipment has a licensed annual capacity of 11.44 million numbers, but the additional capacity covered by letters of intent is nearly 16.6 million nos. Thus the total capacity is in the neighbourhood of 28 million numbers out of which effective capacity likely to materialise by 1978-79 will be 8 million nos. In 1974 the actual production was 5 million nos.

Ceramic, electrolytic, paper and plastic film capacitors are also being manufactured in substantial quantities in India. Ceramic capacitors, for instance, are produced to the tune of 62 million numbers (1974), as against the installed capacity available at 45 million numbers. Efforts are under way to improve the manufacturing capacity of this item to nearly 200 million numbers by 1978-79. Electrolytic capacitors have an installed capacity of 22.4 million numbers in 1974-75 and their production was about 15.5 million numbers. It is expected that the licensed capacity by 1978-79 will improve to 50 million numbers. The output of paper capacitors was in the neighbourhood of 3 million numbers in 1974 as against 11 million numbers by way of installed capacity. Nearly 42 million numbers of plastic film capacitors was produced in 1974 in which year the installed capacity was 68 million numbers. For all these capacitors,

there is a gap between the projected and the existing installed capacity. Thus more units are being licensed and these components have been included in the core sector of the economy which receives special treatment in the matter of industrial licensing.

SPOTLIGHT ON DIESEL ENGINE INDUSTRY

Indian industry has made substantial progress in the manufacture of diesel engines. Not only the domestic capacity for producing these engines has been improved sizeably but sufficient export capability has been developed by this sector of manufacture.

The licensed capacity of the diesel engine industry in India is of the magnitude of 303,836 numbers every year. However, capacity covered by letters of intent is of the order of 159,500 numbers. Thus the total capacity covered by licences or letters of intent is as much as 463,336 numbers per annum. It is expected that by 1978-79, this capacity will have been fully materialised.

Estimated production of diesel engines in India during 1974-75 was in the neighbourhood of 110,500 numbers. This production was in respect of units which are in the organised sector. Many more small scale units have also been active in this line of production.

In 1974-75 there were 32 units active in manufacturing diesel engines, one of which being in the public sector. The installed capacity of these units in the year was 303,836 nos. which is also the licensed capacity though there is no backlog in the matter of installing the licensed capacity.

Under the current industrial licensing policy, diesel engines upto 15 H.P. (slow speed) are reserved for small scale sector. Also in view of the sufficient domestic capacity, no proposal for foreign collaboration is enter-

tained. Most of the raw materials, except seamless steel tubing for diesel injectors are produced indigenously. These include the required cast iron castings, aluminium castings, steel forgings, steel sheets, non-ferrous metals and alloy steel bars.

A quick glance at the progress of this industry in India would indicate that upto 30 H.P. sufficient capacity is expected to be seen available to improve the requirements of engines in this range. There is also scope for diversifying the capacity of existing manufacturers for high speed light weight engines which are increasingly at demand both in home and abroad.

While most of the manufacturers of vehicles have their own capacity for the manufacture of engines along-with vehicle production, expansion of capacity in the range 30 to 100 H.P. will by and large correspond to the establishment of capacities for the production of vehicles.

As for medium marine engines in the range of 75 to 150 H.P., the anticipated additional demand by 1978-79 is expected to be more than met by a party who has been allowed to expand existing capacity. However there is scope for creation of additional capacity for diesel engines above 800 H.P. (power generation and ships) as also for diesel engines for heavy earthmoving equipment. (100-800 H.P.). Although indigenous know-how is available for the production of various ranges of diesel engines, proposals for foreign collaboration for the production of the high speed light diesel engines of modern designs could be considered on merits. The diesel engine industry of India earned as much as Rs. 91.10 million in 1974-75 through its export trade as compared to Rs. 81.30 million in 1973-74. The wide range of these engines supplied to overseas include marine diesel engines mainly to Saudi Arabia, Iran, Bangla Desh, Kuwait and Nigeria. Stationery Diesel Engines principally to Iran, Australia, Nigeria and Saudi Arabia; component parts of diesel engines for motor vehicles mainly to Federal Republic of Germany, Nigeria, Singapur; parts of stationery engines to Thailand, Syria, Saudi Arabia, Sudan, Bangla Desh, Phillipines, West Germany, Iran, Iraq and Kuwait and so on.

FIRST VESSEL WITH INDIGENOUS MAIN ENGINE

M.V. 'Indian Explorer', a 14000 Tonne DWT Cargo Liner being built for M/s. India Steamship Company Limited, Calcutta has been launched recently. This is the first vessel built in India to be fitted with an indigenously produced slowspeed Main Engine developing 10500 BHP manufactured at Ranchi by Garden Reach Workshops Limited.

This is the second of the two ships of the same tonnage being built for M/s. India Steamship Company Limited, Calcutta. M.V. 'Indian Endurance' was the first Cargo Liner already delivered to the owners. Earlier Hindustan Shipyard Visakhapatnam has constructed and delivered in 1959 a 6,400 DWT Cargo liner M.V. 'Indian Industry' for the same owners. The Shipyard has received an order recently for two more vessels of pioneer type of 21,800 Tonne DWT from M/s. India Steamship Company Limited.

M.V. 'Indian Explorer' is the seventy first vessel to be launched from the slipways of Hindustan Shipyard. This Shipyard has so far constructed and delivered sixty six ships of different sizes aggregating over 5,95,000 DWT.

BRIEF PICTURE OF INDIA'S IMPORT TRADE

The import bill of Indian Economy amounted to Rs. 44680 million in 1974-75 which was substantially more than Rs. 29550 million in 1973-74. The import bill was inflated to the extent of 51 percent more mainly because of the inflationary condition prevalent in world market and higher cost of oil and other essential imports. Three items mainly Petroleum and Petroleum Products, Food-grains and Fertilizers were responsible for the major growth hike in the import bill. These items together accounted almost three falls of the total increase in the import bill.

Foodgrains for instance constituted 17 percent of total imports—Rs. 7640 million in 1974-75 against

Rs. 4730 million in 1973-74. Higher quantum of exports of wheat and rice (about 5 million tonnes as compared to 3 million tonnes) and the increase in the import towards these items has pushed up the import value. Manufactured fertilizers constitutes another commodity the import of which is going up year after year because of inadequate indigenous production. In terms of value the imports recorded an increase of 15.6 percent — from Rs. 1630 million in 1973-74 to Rs. 4250 million in 1974-75. Even though quantitatively the increase was only of the order of 32 percent, the import price witnessed cent percent rise—Rs. 791 per tonne in 1973-74 to Rs. 1572 per tonne in 1974-75. The relative share of petroleum and petroleum products which was about 10 percent of total imports in 1972-73 increased to almost 26 percent in 1974-75.

The 'import of crude increased from nearly 13.9 million tonnes in 1973-74 to 14.5 million tonnes in the subsequent year but in terms of value the import went up from Rs. 5600 million in 1973-74 to Rs. 11570 million in 1974-75 recording an increase of about 107 percent. Crude Petroleum which was available at Rs. 300 per tonne in 1973-74 became costly at Rs. 358.5 more per tonne in 1974-75.

Among the other items which were responsible for the rise in India's Import Bill were chemical elements and compounds, iron and steel and non-ferrous metal, machinery and transport equipment. In all these cases the import value has gone up because of international prices and partly due to largely quantities imported.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

COMMERCIALIZATION OF RESEARCH PROCESSES IN CHEMICAL INDUSTRY

While the Research Institutions in India have been engaged in developing new processes for product diversification, good progress has been reported in the context of commercializing the processes developed, particularly in the chemical industry. The National Chemical Laboratory, Poona has succeeded in developing

a number of research processes since its inception. About 60 of these processes have been brought under commercial production and the value of production based on the know-how developed by this research organization is of a cumulative value totalling Rs. 335 million during 1950-1975. In 1974-75 alone, the value of production based on NCL's know-how totalled Rs. 110 million. While most of these products developed by the laboratory led to import substitution, the value of foreign exchange is estimated at Rs. 44 million.

The research processes developed by the National Chemical Laboratory cover a wide range of chemical sectors including petro-chemicals and bulk organic chemicals, pesticides and agro chemicals; drugs, pharmaceuticals and fine chemicals, as also organic intermediates, dyes and industrial chemicals. Certain other aspects on which research was conducted by NCL relate to utilization of plant and forest research, physical and chemical properties of materials, industrial polymers, resins and elastomers in organic chemicals and catalysts, solid state materials as also utilization of mineral resources.

The products which came to be manufactured on the basis of NCL's know-how include Acetanilide,, Adhesives for decorative laminates, Bacterial diastase, Butyl titanate, Calcium silicate, Catechol, Gum arabic substitute, Nicotine sulphate from tobacco and tobacco waste, Perfumery products based on longifolene (capinone), rubber blowing agent, Rubberized cork sheets, rubber reclaiming agent, thermistors, Vitamin 'C' and so on.

Besides, there are quite a few processes which have been already released by the Laboratory and these processes are awaiting production. They include Aniline, Catalytic vapour phase oxidation of olefins, Chlorides from bauxite residue, Coating for oil filter papers, Flexible magnets, Gaskets for coir pith, microfilters, Opium alkaloids, Synthesis of resin for friction materials, rubberized cork sheets from waste cork granules, Solvent extraction of sandalwood oil, testing of rayon grade pulp from Bastar hardwood, Vitamin B and soon.

The National Chemical Laboratory not only undertakes the development of research processes on its own but also under the sponsorship of various industrial firms. The extent of commercialisation of processes in the total number of processes developed is around 30 per cent.

NCL also offers consultancy services to various industrial firms for inplant research. In 1974-75 for instance, the organization offered consultancy to Hindustan Antibiotics Limited, Pimpri, Poona and six private sector industries.

RECORD ACHIEVEMENTS OF STEEL PLANTS

Steel production in India is poised for an unprecedented record. The production in the first seven months of this year (April to October, 1975) was 16 percent more of saleable steel compared to the corresponding period last year. Quantity-wise, the steel plants had produced nearly half a million tonnes more and there is every hope that if the present tempo of production is maintained, the production this year would be a million tonnes more than the production in the last year. Similarly, the production of pig iron was also about 20 percent more than the corresponding period last year.

On the export front, the Government of India have intensified its efforts to find overseas markets for Indian steel wherever possible. They have booked firm orders for the export of more than a million tonnes of steel. More than 300,000 tonnes have already been exported.

Another heartening feature is that with reduced imports of steel and increased exports, the steel industry
(Contd. on page 11)

OUTPUT TRENDS IN SELECTED INDUSTRIES

<i>Industry</i>	<i>Unit</i>	1972	1973	1974 (provisional)
1	2	3	4	5
<i>Basic Industries</i>				
Cement	'000 tonnes	15755	15006	14010
Sulphuric Acid	"	1130	1284	1288
Caustic Soda	"	396	414	419
Finished Steel	"	4971	4809	4763
Light, Medium and Heavy Structural	"	115	121	140
Steel Castings	"	57	60	63
Aluminum Sheets and Circles	"	50	53	46
Soda Ash	"	486	467	502
Nitrogenous Fertilisers (N)	"	1048	1083	1112
Phosphatic Fertilisers (P ₂ O ₅)	"	302	326	294
<i>Capital Goods Industries</i>				
Railway wagons	'000 Nos.	10	12	12
Motor Vehicles	"	90	98	92
Power Transformers	'000 KVA	9288	11808	8948
Electric Motors	'000 HP	2556	2989	3009
Machine Tools	Rs. million	620	660	824
Cement Mill Machinery	"	20.4	74	97.8
Chemical and Pharmaceutical Machinery	"	261.5	300	390.2
Paper and Pulp Machinery	"	61.8	45	90
Sugar Machinery	"	196.8	204	226
Textile Machinery	"	306	427.3	586
<i>Intermediate Goods Industries</i>				
Storage Batteries	'000 Nos.	1105	1248	1315
Dry Cells	millions Nos.	636	602	646
Tyres-Automobiles	'000 Nos.	4405	4298	4678
Tyres-cycles	"	21613	18747	25175
Tubes-Automobiles	"	4347	4166	4446

1	2	3	4	5
Tubes-Cycles	'000 Nos.	14425	12536	18367
Paints and Varnishes	million Kgs.	75	73.2	64.6
Ceramics (Refractories)	'000 tonnes	792	720	717
<i>Consumer Goods Industries</i>				
Radio Receivers	'000 Nos.	1920	1590	2055
Bicycles	"	2245	2543	2555
Cigarettes	million Nos.	61776	62316	64142
Vanaspati	'000 quintals	6023	4668	3712
Soaps	'000 tonnes	295	210	198
Matches	million sticks	218400	216000	223943
Footwear (western type) (leather)	million pairs	13.8	7.1	6.4
Footwear (rubber)	"	43.6	38.8	38.1
Electric Lamps (Incandescent Filament)	million Nos.	128	127	118
Electric Fans	'000 Nos.	2520	2256	2474
Glass and Glassware (sheet glass)	sq. mts.	17.1	14	8.7

for the first time would become a net foreign exchange earner. Compared to the expenditure of Rs. 2490 million and Rs. 4230 million on the import of steel during the last two years, the current year's imports would be very much reduced. The imports would consist of only very specialised types of steel, not produced indigenously. The Ministry of Steel has recently done an exercise in forecasting steel surpluses in the next three to four years and has come to the conclusion that after meeting increased domestic requirements, there will still be surpluses. According to these projections, India will be in a position to export nearly 1.5 million tonnes of steel next year (1976-77). This will put India firmly as a net exporter of steel in the world markets.

This encouraging trend in production and productivity in the steel plants is to be attributed to the fact that industrial relations in all the steel plants have been very happy and cordial. The wage agreement that has recently been negotiated, has evoked all-round satisfaction.

Steel represents nearly a third of India's overall. Public sector investments. Public sector units account

for 85 per cent of total capital employed in the Iron and Steel Industry. Even in the two private sector steel plants, the Government of India hold substantial shares. In the Tata Iron and Steel Company (TISCO), the Government has 38 percent and in Indian Iron and Steel Company (ISCO) 52 per cent shares. The management of the ISCO is also in the hands of the Government. The Hindustan Steel Limited has three integrated plants. at Rourkela, Bhilai and Durgapur with the West. German, Soviet and British collaborations respectively. The capacity of TISCO was raised to two million tonnes and that of ISCO to one million tonnes of ingots steel.

In 1960-61 the installed capacity of the steel industry was 4.3 million tonnes, while production was only 2.4 million tonnes. During the Third Five Year Plan period the capacity was 5.5 million tonnes and production 4.5 million tonnes, in 1968-69 production increased to 4.7 million tonnes. Fourth Five Year Plan fixed the target of 9 million tonnes and production was 8 million tonnes, but the capacity improved by only 6.9 million tonnes and production 4.4 million tonnes.

With the setting up of the Steel Authority of India in January, 1973 the ownership of public sector steel plant and the Government's shares in major input industries were transferred to this Authority, which was set up with the sole purpose of bringing about orderly development of industries in the field of Iron and Steel. During the short span of its existence, the steel authority has improved the profitability considerably as a result of higher capacity utilization and increased its production through better co-ordination between the producing units, major input industries, railway and other connected agencies. As a result, the capacity utilization ratio has improved from 65 to 73 percent in 1974 and a record production of 4.9 million tonnes of saleable steel was reached by the integrated steel plant.

With the larger production and essential imports, the total domestic availability of steel is up by 1 million tonnes or 20 per cent over the previous year. Production plans are being linked with the domestic requirement and export possibility. It is indicated that by the end of the

Fifth Five Year Plan (1978-79), when the demand will reach 7.7 million tonnes, production will also rise to 10 million tonnes. With imports being progressively reduced, an exportable surplus of 2.75 million tonnes is expected to emerge by 1978-79 which will result in foreign exchange earnings of Rs. 6060 million.

With this objective, the Steel Authority of India Limited has embarked on the expansion of Bhilai Steel Plant from 2.5 million tonnes to 4 million tonnes a year and of Bokaro steel plant from a capacity of 1.7 million tonnes to 4 million tonnes and subsequently to 4.75 million tonnes of ingots steel per year. The Authority has also prepared detailed project reports in respect of Visakhapatnam and Vijaynagar Steel Plants, and feasibility reports for Bailadila and Surajgarh Plants and expansion of Durgapur Alloy Steel Plant. The Authority has also taken in hand a number of capital investment schemes of diversification and new projects including Kudremukh and Domimalai Iron Ore Projects and a spiral weld pipe plant at Rourkela. □

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INDIA-EEC JOINT COMMISSION

The India-EEC Joint Commission held its Third Session at Brussels recently (November 11-12, 1975). The Indian delegation was led by Dr. P.C. Alexander, Secretary (Foreign Trade), Ministry of Commerce and the Community delegation was led by Mr. M. Caspari, Deputy Director General of External Relations of the Commission of the European Communities. As a result of the discussions of the Joint Commission, certain decisions emerged in regard to specific areas of trade and economic cooperation.

The Community, for instance agreed to provide financial assistance for Indian participation in specialised trade fairs, such as the Machine Tools Fair and the Heating, Ventilation and Air-conditioning Exhibition in Birmingham, the Handicrafts Fair at Munich and the Electrical Equipment Fair in Paris. The Community will also finance the visit of business delegations in such sectors as air compressors, automobile accessories and hand and small tools, and also assist in the printing of several publicity brochures for distribution in Europe.

The Community is further examining the possibility of financing market investigations by Indian personnel in such sectors as diesel engines and castings and forgings. The Joint Commission agreed that the Community's trade promotion programme should be integrated as closely as possible with India's own trade promotion plans.

The Indian Tea Board is preparing a project for the blending, packing and bagging of tea in India, under Indian brand names and, where desired by the European importer, under current brand names for export to the Community and other markets. The good offices of the Commission will be made available for arranging the supply of the required machinery. The Community will also consider deputing technical experts to India to assist in executing the project.

A delegation of European footwear manufacturers and tanners will be visiting India in January 1976 to examine the possibilities of marketing tie-ups and other collaboration between Indian and European parties. The Community has agreed to provide technical and other assistance for the common facility centre for shoe-uppers

being established at Agra and for five common facility centres for finished leather being established in different parts of the country.

Discussions between an Indian delegation and a delegation of European compound feed manufacturers and animal feed importers have revealed considerable scope for expanding India's exports of traditional oil cakes, such as groundnut and cottonseed, and non-traditional oil cakes such as de-oiled ricebarn and minor seeds. The Joint Commission agreed that technical and legislative problems which stand in the way of expanding Indian exports will be jointly investigated by Indian and the Commission experts with a view to finding urgent solutions.

Indian and European computer software interests will be meeting early next year with a view to examining how cooperation in this sector might be expanded.

A team of experts, financed by the Community, will be visiting India in February, 1976 with a view to tendering technical advice regarding improved yields and the cultivation of tobacco in non-traditional areas. It was noted that there are good prospects for India to make a breakthrough in the Federal German Republic market with neutral testing fillers having a low nicotine content and free pesticides residues.

Virgina tobacco grown in Karnataka, the West Godavari districts and the Ongole-Nellore region appear to be suitable for export to the Federal German Republic which is one of the world's largest markets for Flue-cured Virgina tobacco.

The Joint Commission was informed that the 1976 GSP quota for tobacco has been raised to 38,000 tonnes from the 1975 level of 30,000 tonnes. The Joint Commission also noted that Indian exports of tobacco to the Community (mainly the U.K.), have registered a significant quantitative increase from around 27,000 tonnes in 1972 to 37,000 tonnes in 1974 and over 29,000 tonnes in the first nine months of 1975.

A delegation of European industrialists will be visiting India in the spring of 1976 to consider production

cooperation and the possibilities of cooperation in third countries for engineering goods. The preparatory Sub-Commission has been mandated to pay particular attention to identify possible areas of industrial cooperation linked with trade.

India and the Community will be further examining cooperation in the sectors of shellac, forest products, fisheries, mica, modern packaging methods, the pilot testing house being established at Bombay under the aegis of the Export Promotion Council, and warehousing facilities in Europe for easier off-the-shelf sales of Indian products.

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NATIONAL SEMINAR ON NEW INTERNATIONAL ECONOMIC ORDER

10

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The Community agreed further to increase the 1975 quota for carpet backing in the U.K. by 145 tonnes to ensure the off-take of sales contracts registered by the Jute Commissioner. The Indian delegation made a strong plea for the removal of quantitative restrictions and the elimination of duties on jute and coir products in the context of the new agreements, negotiations for which will commence within a month or two. The present agreement, which is due to expire on 31st December, 1975 will be extended till the conclusion of the negotiations.

It was confirmed that duty-free entry for jute and coir goods to the markets of the U.K. and Denmark will be extended till June 1976, by which time it is expected that the new agreements would have been concluded. The Joint Commission agreed to intensify its efforts at promoting cooperation in research and development of jute products as also for establishing contacts between Indian and European interests.

The Joint Commission also took stock of the progress in implementing the Commercial Cooperation Agreement. At the instance of the Indian delegation, it was agreed that greater technical expertise, particularly on the part of the Community, would be brought to bear on the work of the Sub-Commissions. It was also agreed that the Community would provide additional funds for enabling the Sub-Commissions to undertake their technical work. Priority will be accorded to organising business meets between India and European interests in identified sectors.

NATIONAL AWARDS FOR OUTSTANDING EXPORTS

Fourteen exporters will be awarded Trophies for their outstanding performance in the field of exports in 1972-73 and 1973-74. Sixty one other exporters will be presented with Certificates of Merit.

The recipients of the National Awards are : India Tobacco Co. Ltd., Calcutta; Bombay Dyeing and

Manufacturing Co. Ltd, Bombay; Raymond's Woollen Mills Ltd., Bombay; Bharat Carpets Ltd., New Delhi; Dr. Beck & Col. (India) Ltd., Poona; Bharat Electronics Ltd., Bangalore; Chloride India Ltd., Calcutta; Aniline Dyestuffs & Pharmaceuticals Pvt. Ltd, Bombay; Union Bank of India, Bombay; Hindustan Machine Tools Ltd., Bangalore; Jayer & Co. Ltd, Calcutta; South East Tanning Co., Madras; Walchandnagar Industries Ltd., Bombay and Walker Anjaria & Sons Pvt. Ltd., Jamnagar.

The exporters are to be presented Trophies and Certificates of Merits by Prof. D.P. Chattopadhyaya, India's Minister of Commerce on December 1, 1975.

The Ministry of Commerce has introduced a scheme of grant of National Awards in the form of Trophies and Certificates of Merits to give the exporters public recognition for their outstanding efforts in the field of exports. So far, five sets of Awards have been given during the period 1966-68 to 1971-72.

GROUP OF EXPERTS ON MEASURES IN FAVOUR OF DEVELOPING WORLD

An interim report entitled "Towards A New International Economic Order" prepared by the Group of Experts appointed by the Commonwealth Heads of Government has outlined a comprehensive and inter-related programme of practical measures directed at closing the gap between the rich and poor countries. The meeting of the Commonwealth Finance Ministers (August 1975) commended the Report as an important contribution to constructive dialogue in the context of international economic co-operation. The major thrust of the Report is that "a solution to global poverty cannot be found through adjustments of an essentially marginal character." A progressive re-distribution of economic activity in favour of the developing countries would be a pre-condition for advancement towards a new international economic order and this would demand bold and complementary action on several fronts. The Group of Experts emphasised the need for according the highest priority to the immediate needs of the poorest

sections and the Report concentrates on the objective of alleviating the extreme forms of poverty in which a sizeable proportion of world lives.

In regard to international action in the field of trade, aid and transfer of technology, the Report points out that the pattern of development need not be uniform in all countries, and the economic and social patterns which now obtain in industrial societies are not necessarily the ones which developing countries would want to emulate. The Report also points out that the available development processes can not be imposed from above but must be generated from the grass roots in the developing societies themselves through self-help. External assistance, however large in volume or concession in character can not be a substitute for self reliance. The role of International framework must be to create the conditions and provide the support within which self-reliance can flourish

Considerable importance to the role of trade has been attached by the Group of Experts in the process of growth for the developing world. The main purpose of commodity policies should be to introduce a new relationship between the developing, primary producing and industrialised countries, with a view to securing a progressive increase in the real export earnings of the developing countries. The Report has also recognised that the terms of trade of some developing countries which are net importers of commodities covered by commodity arrangements can be adversely affected in so far as the arrangements raised the average price of imports of these commodities. In view of this, the Group has recommended that special consideration be given to cases where such adverse effects arise and appropriate facilities should be built into any integrated programme for commodities. The Report has also some other specific suggestions on the question of trade liberalisation and access to markets. It has recommended that tariffs and other restraints on the consumption of non-competing tropical products to be removed, and application of quantitative restrictions, countervailing duties and anti-dumping regulations should not be resorted to by the industrially advanced countries except in clear cases of injury to domestic manufactures. Developed countries should undertake adjustment measures linked specifically to the promotion of imports from developing countries.

The Report has pointed out that the technological gap which separates the poor from the rich countries is the most crucial and has to be narrowed if the development process in the poorest countries is to acquire a new dynamism. Equally important is the need for investments in the kind of technology required by developing countries. In this context, the Group has recommended the establishment of indigenous centres of research and development in developing countries.

On the question of transfer of resources for development, the Report has stated that the developed countries have become richer but they have not made available a comparable increase in the net inflow of official development assistance to developing countries. The percentage of total gross national product of the developed market economy countries going as a development assistance has progressively declined from a little over 0.5 percent in 1963 to around one third of one percent in 1974. The real volume of net official development assistance flowing from USA decreased sharply from about \$ 4 billion in 1963 and 1964 (at 1970 prices) to around \$ 3 billion in 1969 to 1972. The aid inflow from the centrally planned economies have remained small in total though they are important for some developing countries. In 1974 and 1975, petroleum exporting countries have emerged as an important source of capital flow to developing countries.

While the UN target of net transfer of official assistance is 0.7 percent of gross national product, only one country of OECD Development Assistance Committee, viz. Sweden was in compliance with the target by 1974. Belgium, Canada, Denmark, Australia, Norway, France and the Netherlands were in the range of 0.49 to 0.62 percent of GNP while UK and German Federal Republic transferred about 0.39 percent of their GNP only. Other countries namely the USA, Switzerland, Italy, Finland, Australia and New Zealand all transferred 0.30 percent of GNP or even less. The Report has therefore come to the conclusion that fulfilment of the UN target for official development assistance would be essential. It has urged that all developed countries particularly those with per capita of GNP over \$ 2000 should without any further delay implement the target.

Achievement of the target of 0.7 percent would only be the first step, according to the Group. The pressing needs of developed countries would require an assistance effort equivalent to at least 1 percent of GNP by 1980. The Report has also pointed out that this would entail the developed countries to devote to increase assistance only some 5 percent of the amount by which they may reasonably be expected to grow richer between 1975-1980.

INDO-HUNGARIAN TRADE PLAN SIGNED

The Indo-Hungarian Trade Plan for 1976 has been signed recently, envisaging a turn-over of Rs. 610 million both ways, with Indian exports at Rs. 305 million and imports also at the same level. The two way trade between the two countries reached a level of Rs. 360 million in 1974.

During negotiations, which preceded the signing of the Agreement, the Delegations of India and Hungary exchanged views about the main features of the new Trade Plan and the proposals of the two sides regarding supplies of Indian and Hungarian goods. In preparing their respective proposals for Trade Plan provisions for 1976, both sides have taken a realistic view of availability of goods in both countries, anticipated demand for these commodities and also changing requirements for the economies of two countries.

Main items of India's imports from Hungary will include steel products, microwave equipment, machine tools, pharmaceutical products and some essential chemicals. India's principal exports will include, in addition to traditional items like oilcakes, coffee, pepper, many consumer goods, radios, tape-recorders, readymade garments, leather goods and a number of engineering products.

It was agreed that a mid-year review will be made in June, 1976 to assess actual utilisation of the Trade Plan provisions now arrived at.

PERSPECTIVE ON IRON ORE EXPORTS

India's iron ore exports which reached the level of 24.4 million tonnes in 1974-75 (0.16 million tonnes in 1950-51) are expected to move upto 35.5 million tonnes by 1978-79. The global total of iron ore exports is expected to rise from the current level of about 375 million tonnes (1973) to about 570 million tonnes by 1980.

India's aggregate iron ore reserves, largely of high grade are estimated at about 15 billion tonnes. Of these, about 9 billion tonnes are of hematite variety, the rest being of the banded magnetite quartzite type. Of the estimated reserves, about 5.5 billion tonnes have been proved. Of the proven reserves, about 4.5 billion tonnes are hematite ore with ferrous content of 55 percent or above which are currently being exploited both for domestic use and for exports. In addition, iron ore reserves occurring as banded hematite quartzites/jasper ranging in ferrous content of 25 to 40 percent have been inferred at about 85 billion tonnes. These deposits are similar in grade, texture and minerological characteristics to those of taconite deposits of USA, where these ores are roast beneficiated to + 55 percent Fe by roast reduction magnetic concentration process. Some quantities of this type of ore are being used by the steel mills in India as blend for better balance in silica alumina ratio in the feed, since this has a high silica and low alumina content. Inclusive of these, the total economically exploitable reserves, on present indications, exceeded 60 billion tonnes of + 55 percent Fe. Possibly, further exploration may indicate more reserves.

Bulk of Indian exports (17-19 million tonnes) are currently directed to Japan followed by East Europe (3-4 million tonnes), West Europe (1 to 1.5 million tonnes) and in South East Asia (less than 1 million tonnes). In the export strategy of India's Fifth and Sixth Five Year Plans, iron ore has been accorded an important place. Besides being a sizeable foreign exchange earner, iron ore exports have also been important in the context of generating employment opportunities. Thus it is imperative that the ore receives remunerative export prices and it is towards this objective that India's efforts, along with those of the other iron ore producing countries are directed.

Nine countries of the world account for as much as 90 percent of total imports. Of this, Japan accounts for as much as 35 percent of the total. On the other hand twelve iron ore producers account for 96 percent of the global production, with Australia's share at about 20 percent. The major end use of iron ore being steel making, world demand for the ore is correlated with steel output. This close relationship between steel production and iron ore consumption is however not noticeable between the prices of steel and iron ore. In fact iron ore is one of the few commodities whose prices have lagged behind the price movements of its final product, namely, steel. The main problem for the iron ore producers has thus been its chronically depressed prices related to steel and steel products. As the developing iron ore exporting countries have been importing steel and its products, the prices of which have increased and also iron prices which have been stagnant, the terms of trade moved against the developing countries. Therefore iron ore prices need to be first brought up to a level reflecting a proper share in the cost/price of steel. Once this is achieved, the next problem would be to ensure that the prices of iron ore are indexed to the prices of steel so that the gains from the increase in price of steel are shared by ore too. It is to mainly strive for securing a remunerative price of iron ore that an Association of Iron Ore Exporting Countries has been recently formed. The Association intends to establish and keep up a continuous dialogue with the consumers of the ore and keep their recognised interests in view. The Association consists of both developed and developing countries for providing a forum for discussion among producers and consumers, besides serving as a clearing house for market intelligence. It is to be hoped that the formation of the Association will prove beneficial in achieving the objective of selling iron ore at remunerative prices.

CORRECTION

India's production of glass and glass ware (sheet glass) was shown in sq. metres instead of million sq. metres on page No. 11 of the previous issue of this weekly dated November 22, 1975. The error is regretted.

INDIAN BICYCLE BELLS IN EUROPEAN STREETS

Indian made bicycle bells found their way to Europe for the first time, when a consignment of 10,000 bicycle bells was shipped to West Germany recently by a client of Trade Development Authority. This is one of the 'trial' shipments and the successful performance of these bells will pave way for increased exports in future.

This order was secured as a direct result of the Commercial Development Programme between the Federal Republic of Germany and India. Under this programme, a few bicycle components had been selected for comprehensive sales development programme drawn up by the TDA. The Indian firm successfully developed bells according to the West German requirements.

A number of other bicycle components, which have been developed by other units, through the technical and marketing assistance arranged by the TDA under this programme, have also found acceptance in the West European market. According to one European estimate, India may export bicycles and parts worth Rs. 10 million to Europe in 1976 and Rs. 20 to 30 million in 1977-78.

GERMAN INTEREST IN INDIAN PRODUCTS

According to the information available from Indo-German Chamber of Commerce, Bombay "Indian-days" organized by German Chambers of Commerce and Industry during October, 1975 brought to light considerable German interest in Indian Products. More than 1/3 out of the 93 companies with whom the representative of the Indo-German Chamber of Commerce had discussions have shown interest in imports from India, Also interest in industrial collaboration was shown by several German Companies.

German importers are interested in a wide range of Indian products, particularly non-traditional items like tools, Indian textile machinery and chemicals and pharmaceutical raw materials. Most of the enquiries received are for Indian textiles. Many companies are willing to supply the designs, for example for the manufacture of children's wear and fashionable textiles. Three companies are showing interest in Indian carpets, one is silver jewellery and two large scale importers are seeking contracts for the import of handicrafts.

Representatives of the leather importing industry in Federal Republic of Germany showed interest in India's tennis-shoes made of leather, leather gloves, leather gloves for skiing and other leather products. The German party is willing to supply the design.

Certain German companies showed interest in buying from India, tea, foodstuffs, wood, sanitary floor and wall tiles (white colour), medical herbs and crude drugs, senna and dried morels.

Several German parties showed interest to enter with Indian parties into conversion deals or industrial collaboration, with the aim to export the whole or at least a substantial part of the production. The enquiries pertained to products like pantyhose for ladies, builders' hardware and the processing of sheep-guts.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ROLE OF HUMAN RESOURCES IN ECONOMIC PROGRESS

"Of the resource factors which determine a country's capacity for economic growth and development, the human resources factor has been recognised to be the most

strategic and critical determinant of growth," stated the President of India, Mr Fakhruddin Ali Ahmed, recently while inaugurating the Fourth International Training and Development Conference. A country may possess abundant and inexhaustible physical and financial resources but unless there are people who can mobilise, organise and use these resources towards the production of goods and services, the country cannot make progress towards rapid economic and social advancement.

In the developing countries with abundant human resources, there are large possibilities of raising the existing low standards of living through development of the physical and mental capabilities of the people by appropriate education, training and development of right types of values of attitudes.

"In India, we are making vigorous efforts to check and reduce the growth of population in quantitative terms through country-wide family planning programmes." At the same time, several programmes are under implementation to improve the quality of the human resources through various measures in Five Year Plans. The basic objective of the country's Fifth Five Year Plan is removal of poverty; to ensure a minimum level of consumption, expansion of employment opportunities, removal of inequalities and disparities of income and wealth, and to bring about relatively faster improvement in the conditions of weaker sections of the community, Mr. Ahmed said.

In India, the 20-point economic programme which started four months back is intended to accelerate the achievement of these objectives in specific areas. The programme covers distribution of surplus land among landless people, provision of house-sites for landless and weaker sections of population, abolition of bonded labour, liquidation of rural indebtedness, socialisation of urban land, improvement in the availability and prices of essential commodities for common man, workers' association in industry and enlargement of employment and training specially for weaker sections through apprenticeship scheme. For implementing the policy of workers' association in industry, only technical competence is not enough but there is need to evolve appropriate

training programmes for workers' representatives, to understand the motivation and aspirations of workers and to guide their efforts into proper channels. The success of these efforts, however, depends on how well one understands and utilises the country's human resources and how well they perform and contribute to the achievement of the specific objectives, added the President of India.

CONSULTANCY ON OIL PIPELINES

M/s. Oil India Ltd. has entered into an agreement with another Indian organisation M/s. Engineering Projects (India) Ltd. (EPIL) and this marks a step forward in the direction of pooling all available indigenous expertise on pipelines designing and detailed engineering with the eventual object of turning out turnkey pipeline projects on a national and international plane.

Under the agreement, Oil India Limited will make available its consultancy services on designing and detailed engineering of the pipelines (inside the country and outside) to "enable EPIL to develop, quote for and carry out the work as a pipeline constructing and contracting organisation . . ."

Thus OIL will be advising EPIL on almost all technical aspects of work including *inter alia* : preparation of feasibility studies and project reports; surveys and selection of routes and different types of crossings; designing and selection of pumping stations and repeater stations; selection of equipment (Mechanical; Electrical ; Cathodic Protection; Telecommunication; Telemetry and Instrumentation) including civil works; guidelines on construction of integrated pipeline system; supervision during construction and commissioning.

Such services will be rendered by OIL in respect of all types of pipeline projects to be taken up by the EPIL, including Crude Oil, Petroleum Products, Natural Gas and slurry pipeline transmission systems.

The agreement shall be valid for a period of 10 years and could continue thereafter unless terminated by either party by giving a 12 months notice.

M/s. Oil India Ltd. has qualified for such consultancy services because of the experience arising from the construction of its own 1,157 km. long, Nahorkatiya Gauhati—Barauni, trunk crude oil pipeline system, the longest in India so far and one of the best in the world; maintenance of this pipeline since its commissioning in 1962 (upto Gauhati) and 1963 (upto Barauni); transmission of about 38 million tonnes of crude including over 2.6 million tonnes of crude (from Oil and Natural Gas Commission's field in Assam); maintenance of the Indian Oil Corporation's Products pipeline, Gauhati-Siliguri, for them; and keeping up uninterrupted supplies of crude even through the line crosses over 100 rivers across a most difficult terrain close to the foothills of the Himalayas with unstable river beds floods and other such natural calamities. OIL now has in hand an expansion project which will lead to an eventual increase in the capacity of the line from about 3 million tonnes per annum now to about 5.5 million tonnes per year in the next two years or so.

SCIENTIFIC RESEARCH AND TECHNOLOGICAL DEVELOPMENT

PROGRESS IN INDUSTRIAL RESEARCH

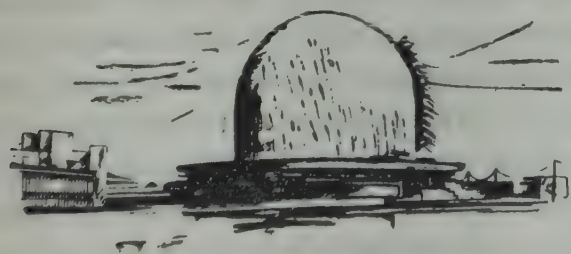
The National Research Development Corporation of India, a Government of India undertaking has helped develop indigenous know-how and help establish many industries based upon the know-how developed in various laboratories and research organisations in India.

The Corporation signed a record number of 238 new licence agreements in 1973-74 and collected a record amount as premia. The total premia collected by the Corporation during the years 1971-72, 1972-73 and 1973-74 was more than the total during the previous 17 years. The royalties earned by the Corporation during the past three years were also significant as compared to the amount earned during the previous 17 years.

The increase in premia collected during the recent years indicates the accelerating tempo of licensing of know-how by the Corporation. This also indicates that the results of laboratory investigations are being utilised to greater extent. The value of production from industries set up under licence from NRDC in 1973-74 was about Rs. 1200 million. This production resulted in foreign exchange savings amounting to Rs. 960 million.

During the year under review, the Corporation sanctioned eight developmental projects with substantial share of its own. These projects were : Prototype unit for naphtha cracking; Pilot plant for extraction of benzene; Pilot plant for p-xylene oxidation; Pilot plant for distillation; Heavy-duty large dimensioned facing lathe model FCL 31; Cooker, extruder type S-100; Development of visbreaker; and equipment for de-oiling of slack wax.

So far, the NRDC's major sources of technology were laboratories and institutions in the public sector. Of late, NRDC is making efforts on the horizontal transfer of technology, such as the transfer of proven technology available with some established industry in the country to another industry, thereby eliminating the repetitive import of technology. As a result, a number of industries have agreed to share their technology with others through the agency of the NRDC.



SAVINGS FROM PROCESS WASTES

Indigenous development and establishment of facilities for the recovery of various costly materials from process wastes in M/s. Bharat Electronics Ltd., Bangalore have resulted in a total net saving of about Rs. 5.6 million including Rs. 1.45 million in foreign exchange, over the last decade.

The manufacture of electronic components like semiconductors, electron tubes, crystals, etc. involves the use of a number of materials. Some of these are costly and are of specialised nature. Very often these materials are found in the process wastes in an impure form and can be economically recovered and reused, cutting the costs and saving valuable foreign exchange.

Indian scientists and engineers have developed, designed and installed various processes and equipment used in the recovery methods.

The integrated plant for the manufacture of germanium devices uses germanium dioxide as starting material which is imported. During the chemical and mechanical processes, scraps and wastes containing varying concentrations of germanium occur. BEL has been able to recover pure germanium dioxide from these wastes. Though the general principles and reactions involved in the process of recovery were known, the actual process details and equipment were developed and designed by scientists and engineers of BEL.

So far about 2,000 Kg. of waste has been processed, recovering about 1400 Kg. of germanium dioxide whose landed cost would be Rs. 2 million. The cost of recovery was Rs. 0.8 million which leaves a net saving of Rs. 1.2 million, nearly the whole of which is in foreign exchange.

Another significant achievement is the recovery of gold from plated process scraps. So far BEL has recovered nearly 70 Kg. of gold valued at Rs. 2.5 million from about 2000 Kg. of scrap.

In this case also, though the basic principles were known, considerable developmental efforts were necessary to establish the exact process conditions and to optimise the yield and purity of the recovered gold.

A third field in which BEL has put in considerable efforts and made significant savings is the recovery and purification of used solvents. Several organic solvents are used at various stages of components manufacture. The solvent recovery activities, which were started in 1965, have resulted in a saving of Rs. 1.67 million. As most of the items have now been indigenised, the foreign exchange savings from the recovery is only about Rs. 250,000.

NATIONAL SEMINAR ON NEW INTERNATIONAL ECONOMIC ORDER

A National Seminar on the New International Economic Order and UNCTAD-IV has been recently organised by the Indian Institute of Foreign Trade at the instance of UNCTAD Secretariat. The Seminar took note of the discussions at the 6th and 7th Special Sessions of the UN General Assembly and recent international developments including emergence of OPEC within the group of "77", signing of Lome Convention by which special interests of 46 ACP countries were covered in the form of quota-free and tariff-free entry of goods into EEC, emergence of the Most Seriously Affected Countries among developing nations consequent to the energy crisis and the affect of recession and fear of unemployment in many developed countries.

Dr. P.C. Alexander, Secretary, Department of Foreign Trade, and Chairman, Indian Institute of Foreign Trade, referred to the various issues before

UNCTAD-IV and stressed the primacy of Integrated Programme of Commodities recognised as the "cornerstone of new trade policy for development". He highlighted the importance of processing and diversification and the need for expanded exports of raw materials in the form of processed and improved varieties. In respect of market access and prices of manufactures and semi-manufactures, Dr. Alexander felt that the results so far were disappointing. He hoped that USA would soon announce its decision about its GSP Scheme and exhorted the Indian industry and trade to take full advantage of it. He called for international political will for economic cooperation and the need for understanding the aspirations of developing countries for making a break-through in the trade of manufactures.

The New International Economic Order is based on equity, sovereignty and interdependence among member nations. The Seminar participants lamented that the problem of poverty remained static and the gap between the rich and the poor in the ratio of 20 : 1 had been widening despite laudable pronouncements during the first and the present Development Decades. It was felt that it would be idle to talk of the New International Economic Order if the present pattern of trade of developing countries cannot be changed in their favour. In the present context of international trade, developing countries should work together for achieving favourable terms of trade, better realisation of prices and improvement in purchasing power.

In the context of Integrated Programme of Commodities, the Seminar went into the basic questions of deteriorating terms of trade of primary producing countries, the need for stabilisation of prices at remunerative levels, taking into consideration international inflation and consumer interests, the OPEC experiment, the need for encouraging producer associations, the manner in which the integrated programme can work, the relative significance of the elements of the Programme and the present efforts of developed countries in putting forward alternative proposals to the Programme. Discussions were held in relation mainly to iron ore, tea, sugar and

coir. It was ultimately felt that many of the items in the commodity list may not be of interest to India but will be of interest to other developing countries. From the Indian standpoint, buffer stock operation may not be of great help though there is no conclusive proof that it is going to harm India's interest either. With respect to elements relating to multilateral commitments on individual commodities and processing, India has a lot of interest in a number of items. The element dealing with compensatory financing arrangements in situations of fluctuations in commodity prices is deemed crucial in the entire Programme. It was clarified that the country had only a limited interest in putting coir in the basket of commodities.

With regard to indexation of prices, it was felt that there was a need for identifying optimal basket of items to be pursued from Indian side and that this could be done by considering share of various items in exports and the range of price (unit value) changes in exports and imports over a sufficiently long period.

The Seminar also discussed the strategy for expanding and diversifying exports of manufactures and semi-manufactures. It stressed the importance of bringing about improvements in GSP Schemes through comprehensive product coverage, deeper tariff cuts, abolition of quota limits and ensuring that the GSP Schemes were more enduring. Efforts have to be intensified for preventing erosion in GSP concessions consequent on Multilateral Trade Negotiations. Suggestions were made that efforts should be intensified to enable developing countries to meet one-third of the import demand of the OPEC countries for manufactures. The Seminar called upon UNCTAD-IV to provide suitable institutional set-up to fill in the information gap among the countries of group of "77" in respect of production capabilities, on the one hand and demand requirements, on the other. The need for re-emphasising the proposal for raising the share of developing countries in world trade of manufactures and semi-manufactures to 25 per cent over a period of 25 years was stressed.

The Seminar recommended a re-definition of the Official Development Assistance target so as to increase it to one per cent of the GSP of donor countries as against the present target of 0.7 per cent; minimum grant element of Official Development Assistance should also be raised from the present level of 25 per cent to 50 per cent. It, *inter alia*, suggested that SDRs should be linked with development assistance and that developed countries may impose tax on polluting industries to finance aid to developing countries.

In view of the increasing burden of debt repayment, the Seminar recommended that, among others, there should be debt moratorium for the Most Seriously Affected Countries until the end of the decade and that a review might be undertaken to determine whether there should be a further extension of it for debt cancellation.

Ideal exchange rate system for the developing countries, according to the Seminar, would be stable but adjustable exchange rate. Further, in view of the prevailing circumstances, it was felt that a system of managed float would be most suitable for developing countries, subject to guidelines and surveillance of IMF.

Economic cooperation among developing countries should, according to the Seminar, be on flexible and diverse lines such as preferential trading arrangements, a sales strategy with regard to key agricultural commodities, regional clearing and payments arrangements and joint production arrangements.

It was felt that progress in economic cooperation in Asia had not been adequate. Bangkok Agreement among some developing Asian countries, according to the Seminar, represents a good augury,

The Seminar recognised that trade with socialist countries is an important element in the trade of developing countries and would continue to be so in future as well. Efforts should, therefore, be intensified either

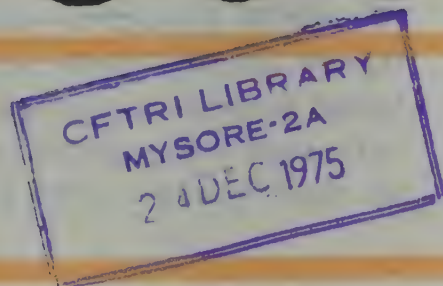
bilaterally or through UNCTAD to strengthen these trade relations.

The potential threat posed by increasing trade relationship between socialist economies and developed countries need not, according to the Seminar, worry the developing countries much. Efforts should be made to identify products which can be traded to mutual advantage and on the basis of international division of labour. One way of stepping up trade between socialist economies and developing countries might be through production cooperation arrangements.

It was pointed out that in the near future, say after five years, after attaining further industrial sophistication, India may be ready for convertible trade.

Emphasis was laid at the Seminar on buying technology for achieving competence to meet internal and external demand. The need for international bank to disseminate experience of user countries in buying, using and adapting technology to meet their environments was emphasised. A case was made out for a fund to be created for research and development.

economic and commercial news



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FOREIGN EXCHANGE FROM BATTERIES AND ACCUMULATORS

India-made batteries and accumulators secured foreign exchange worth Rs. 56 million in 1974-75. The range of exports includes flash light batteries and other dry cell primary batteries, lead acid type accumulators as well as wet cell primary batteries.

Dry Cell Batteries which earned foreign exchange worth nearly Rs. 14.5 million in 1974-75 were directed principally to Nepal, Federal Republic of Germany, France, UK and Sudan. In all 27.8 million nos. of these batteries were exported from India in this year.

Soviet Union was the principal importer of lead acid accumulators from India in 1974-75. While the total exports of these accumulators were valued at Rs. 17 million, the Soviet Union absorbed worth as much as Rs. 15 million.

For other accumulators also Soviet Union was the principal buyer (Rs. 13.6 million). The total value of

these non-lead acid type accumulators was Rs. 21 million in the year.

The production capacity of dry batteries in India is in the neighbourhood of 1280 million numbers. The output in 1974-75 was estimated at 700 million numbers. Plans for expanding the existing capacity are under way and it is hoped that the total capacity in course of time will increase upto 1750 million numbers per year. In accordance with modern trends there, has been a shift in the manufacture of dry cells with metal jackets. Except for zinc and certain special chemicals, most of the raw materials are indigenous.

As far as storage batteries are concerned, India has a licensed capacity to produce 2.74 million numbers every year. But the installed capacity is 1.68 million numbers. Actual production in 1974 was about 1.3 million numbers. Several categories of storage batteries are being manufactured in India such as those required for defence, train lighting cells, stationary cells and so on. Certain types of these storage batteries are being manufactured in the small scale sector of India. The

total capacity of units in the small scale sector is reported to be about 800,000 numbers per year. The capacity utilization in the storage batteries sector is over 90 percent and imports are not permitted.

OVERSEAS DEMAND FOR INDIAN FOOTWEAR

Among a wide range of Indian products that have picked up encouraging demand in international markets, footwear constitutes a shining example. Its export value increased from about Rs. 134 million in 1973-74 to nearly Rs. 205 million in 1974-75. The broad varieties of footwear exported from India are the rubber footwear, leather soled and embroidered uppers, all leather closed toe footwear, all leather open toe footwear, rubber soled upper canvas footwear, rubber soled upper leather footwear, foot wear with other soles as also gaiters, leggings and cricket pads.

Canada and UK have been the major importers of rubber footwear followed by USA.

The all leather closed and open toe varieties together earned foreign exchange worth about Rs. 130 million, the major importer being the Soviet Union (Rs. 43 million). The USA is the next best buyer but this market preferred the open toe variety, while the Soviet Union mainly bought the closed toe footwear. The US purchases in 1974-75 amounted nearly to Rs. 30 million. Besides these major markets, the other buyers include, Australia, Canada, German Democratic Republic, Iraq, Netherlands and the UK.

The rubber soled upper canvas footwear earned as much as Rs. 40 million in 1974-75, the leading buyer being the UK market (Rs. 14 million) followed by Canada, Denmark, Australia, France and Netherlands.

The rubber soled upper leather footwear also proved to be popular in the world markets (Rs. 2.9 million in 1974-75) particularly in USA, Australia, Canada, Saudi Arabia and the UK.

The leather foot wear industry in India has a capacity to produce annually about 13.3 million pairs. The capacity is sought to be increased further to 16.6 million pairs per year. In 1974-75 the production was estimated at 14 million pairs. There are 9 established units in this line of production—one in the public sector and the rest in the private sector. The manufacture of leather footwear is at present reserved for development in the small scale sector except for expansion and setting up of new units for export purposes. No foreign colla-

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SKETCH ON HEAVY ENGINEERING INDUSTRY 10

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boration, either financial or technical, is considered necessary for the promotion of this industry.

Besides the leather footwear industry, the rubber and canvas footwear industry in India has a licensed capacity of 57 million pairs per year against which actual production in 1974-75 was estimated at 39 million pairs. There are 15 units engaged in the manufacture of this variety of footwear. Further expansion of the industry is allowed by the Government of India only when the new units are export oriented.

PROSPECTS OF INDIAN COIR IN WORLD MARKETS

Despite severe competition from synthetics and other substitute fibres, Indian coir continues to hold its position, owing to its inherent advantages such as resistance to dampness, long lasting quality and relatively less expensive prices. Although the rising standards of living in developed countries have tended to change consumer tastes in favour of more expensive floor coverings, overseas demand for coir products is sustained, particularly because the industrialised countries are desirous of acquiring materials of typically oriental and traditional nature.

Indian coir enters the world markets in the form of fibre, yarn, mattings, rugs, carpets, coir rope, curled coir, rubberised coir products and so on. The export of coir and coir products from India is about 45 percent of the country's total production of coir. In 1974-75, the coir exports (41,834 tonnes) secured as much as Rs. 175 million. In fact, the quantum of exports has been going down while the value has been moving up steadily. The quantity exported was of the order of 52,220 tonnes in 1970-71 which was reduced to 49,480 tonnes in 1972-73, 46,760 tonnes in 1973-74 and 41,835 tonnes in 1974-75, but the export value improved in these years from Rs. 139 million to Rs. 149 million, Rs. 156 million and Rs. 175 million.

Coir yarn has been the main stay of India's coir exports, accounting for 95 percent of the world requirements. The yarn constitutes about 62 percent of the total quantity of coir exported from India. In 1974-75, the quantum of coir yarn exports was 24400 tonnes which was valued at Rs. 82.7 million.

West European markets especially the European Economic Community Countries have been the traditional buyers of coir yarn from India in 1974-75. West European Countries together accounted for 75 percent of the total coir yarn exported from India. The USA and Canada are also important buyers of the yarn but the export sales to East European Countries have been steadily declining.

Coir products such as coir mats, mattings, rugs, carpets and so on share about 35 to 40 percent of India's total export of coir. In 1974-75, the quantum of coir products sold overseas totalled 16370 tonnes and its value was about Rs. 91 million. Of the various coir products exported, coir door mats constitute a major segment. Presently these mats are supplied to over 75 countries of the world. The Federal Republic of Germany, Belgium, France, Netherlands, Italy, the U.K., Soviet Union, Irish Republic, Greece and Denmark in West Europe; the USA and Canada in America and Australia in East Asia are the leading importers. Coir mattings, rugs and carpets produced in India are also exported abroad in substantial quantities particularly to the Soviet Union. Coir rope exports from India are mainly directed to the countries of West Asia, Bahrein Island and Kuwait principally. Curled coir has been figuring prominently in the coir exports in recent years (Rs. 1 million in 1974-75) with East European countries as leading buyers.

India produces about 160,000 tonnes of coir fibre, 138,000 tonnes of coir yarn, (mats and mattings) 21,000 tonnes of coir rope, 1600 tonnes of curled coir and 1800 of rubberised coir every year.

The European Economic Community countries have substantially contributed to developing markets for coir products of India through improved processing

techniques, product development and organised marketing efforts. A recent development in product development and diversification is the manufacture of PVC based tufted coir carpets, an area which would be of benefit to India. In view of the spiralling wage levels and competition from PVC based tufted carpets, several units in Europe producing conventional items from coir such as creel mats, car mats and Japan mats are finding it increasingly difficult to survive. As a result, some of those units have closed down and this presents an opportunity to India to increase production and export of coir products.

Also the reduction in the import duties from EEC countries from 23 percent to over 9 percent in two stages would improve the competitive position of India's coir products. Concessions of duties granted by the various developed countries under the Generalised Scheme of Preferences would also help the growth of export to these countries. Australia for instance has granted zero duty entry for handloom products of coir without any ceiling. Machine made coir products can also be exported by paying duty of 12.5 percent.

The present oil crisis which has generally increased the cost of production of synthetic products the world over has improved the competitive position of products such as coir and this would also help the export of coir products from India.

PERSPECTIVE ON COFFEE EXPORTS

India's export trade in coffee has shown a notable improvement during the last two years with its earning reaching a record level of Rs. 585.30 million in 1974-75 as compared to Rs. 133 million, a decade ago. Although India's production of coffee hardly accounts for 2 percent of the global production, there has been considerable improvement in its contribution to the world trade in coffee in recent years.

With the coming into force of the International Coffee Agreement 1962 from early 1963, the world trade in coffee has come under the purview of a multilateral commodity agreement in which both producers and consumers have been participating. In the objectives enunciated in the Agreement (1962 & 1968), emphasis was laid on the development of world coffee trade, assurance of adequate price for the produced and suppliers of coffee to the consumers at equitable levels as also bringing about a long term equilibrium between production and demand in order to avoid sharp fluctuations in prices. These objectives have been achieved in these Agreement through quota mechanism which regulates supplies to the world market at required levels. While no fullfledged International Coffee Agreement came into force from 1972-73 at the termination of the 1968 agreement, the International Coffee Agreement has been continued in a form devoid of all the economic provisions which were present in the previous two agreements. The question of negotiating a new agreement to come into force from October, 1976 is under the consideration of the International Coffee Council.

In early 1975 UNCTAD made certain proposals for an overall plan to stabilise commodity markets and approved proposals that envisaged the setting up of reserve buffer stocks of 10 commodities including coffee. It was also sought to create a fund of about \$6000 million to finance this buffer stock. As far as coffee is concerned, the buffer stock is to have about 7.5 to 15 million bags and 18 countries which produce 80 percent of the world exports agreed on the need for a buffer stock of 16 million bags in 1974-75 which would absorb much of the producing countries existing reserve stocks. The concept of creation of an international buffer stock in coffee has been also engaging the attention of both the coffee producing and importing countries that are members of the International Coffee Agreement.

Thus the objective is to ensure that increased exports of processed coffee from the developing countries are encouraged. But in most of the developed countries who are principal importers of coffee, import tariff on processed coffee is at a high level and excepting a few countries like Japan no special concessions have been

extended to importers of soluble coffee under the Generalised Scheme of Preferences. To encourage the exports of processed coffee from the developing countries therefore, it would be essential that the developed countries accord more concessions by way of reduction or elimination of import tariff on processed coffee.

WOOLLEN SWEATERS TO SOVIET UNION

The Soviet Union has been an important buyer of woollen sweaters and cardigans from India. These exports have secured Rs. 192 million in 1974-75 out of which the USSR absorbed worth Rs. 117 million. In terms of quantity, the total exports in the year amounted to 1.89 million kg. of which the Soviet Union imported 1.65 million kg. Next to Soviet Union, Czechoslovakia bought the sweaters and cardigans from India at a value of Rs. 12.37 million. Saudi Arabia was another important buyer at an import value of Rs. 1.56 million.

Iraq proved to be the principal market for other garments made of wool. These materials were exported by India to the tune of Rs. 6 million in 1974-75 while Iraq absorbed worth Rs. 3.9 million. Woollen shawls and scarves are also exported in sizeable quantity. Woollen shawls earned Rs. 1.6 million in 1974-75 mainly from Yemen Arab Republic, Saudi Arabia and UK, while woollen scarves secured Rs. 3.5 million with Saudi Arabia as the major buyer.

FOREIGN EXCHANGE FROM OIL

The Indian Oil Corporation Limited, leading public sector undertaking in the context of India's oil development has succeeded in securing sizeable export earning through its overseas sales of a wide range of petroleum products. In 1974-75, the Corporation exported Naphtha Asphalt, Gasoline 93 Octane and lube

base Oil valued at Rs. 365 million to Bangla Desh, Nepal and other countries.

The Corporation, which has in fact registered a record sales turnover so far ever since its inception sixteen years ago, has undertaken in a big way the development of various petroleum products particularly lubricating oils, greases and other specialities required by various user industries including Defence establishments. The Corporations' development programme is expected to result in a saving of about Rs. 70 million in foreign exchange every year commencing from 1977.

The Research and Development Centre of the Corporation set up at Faridabad has already developed a number of oils which have been hitherto imported. This Research Centre functions in close collaboration with the Indian Institute of Petroleum, Dehradun for product certification for release to the market and other allied research problems. The Centre is being equipped with the latest machines and equipment for analysis and testing of various formulations. Within two years, the centre is expected to be able to carry on research and development activities including standard testing of petroleum products according to international specifications.

The Research Centre has to its credit several jobs already done successfully such as the trial replacement of 15,000 tonnes of imported steam cylinder oil with a medium viscosity product to be produced by Haldia Refinery next year, the development of turbine oil base stock from local refineries which would eliminate import of about 15,000 tonnes of such oils; the setting up of a distillation unit in Gujarat Refinery of the IOC for the production of rolling oil which is to meet stringent quality standards of high speed aluminium rolling mills and so on. The Research and Development Centre is also making special efforts to develop products like gas holder oil, steel rolling mills, morgan bearing oil, E. P. greases and some of the hydraulic oils. Other products under development by this Centre include transmission oils and EMD Locomotive Oils which are presently based on imported stocks.

INDO-CZECH TRADE PACT

A trade protocol for the year 1976 has been recently signed between India and Czechoslovakia envisaging further improvement in the volume of mutual trade turn-over to reach Rs. 1560 million as against the expected turn-over of Rs. 1200 million in 1975.

Economic co-operation between the two countries is not only confined to mere exchange of goods but a long term perspective is being built into the framework of co-operation so as to solve the requirements of the two economies. The Indo-Czech Joint Commission has already been discussing several concrete possibilities of such collaboration. The two countries are to co-operate in the field of computer peripheries. M/s. Hindustan Teleprinters is to take up the manufacture of computer peripheries and Czechoslovakia is to supply certain parts for its production.

In the new protocol, India is to supply increased quantities of iron ore, jute manufactures, and finished leather while Czechoslovakia has agreed to supply increased quantities of urea, spares for Czech assisted projects and specialised types of steel products required by the Indian Industry. Indian exports will also include a number of non traditional products like MS pipes and fittings, small tools, machine tools, automobile ancillaries, transistors, radios and tape recorders, batteries and torches as well as host of engineering goods.

The protocol also provides for Indo-Czech collaboration in setting up a Motor Cycle Factory in Iran.

India's trade turn-over with Czechoslovakia which was Rs. 60 million in 1953 increased to Rs. 660 million in 1973 and Rs. 930 million in 1974. The trade during January—September, 1975 was worth Rs. 730 million.

In India, Czechoslovakia is providing economic and technical assistance in the construction of about 60 factories including those in the production of engineering metallurgy, power equipment, machine tools and the like. The co-operation of Czechoslovakia with India in the field of Power Engineering is of particular significance. Czech assistance has already proved useful in

building plants for manufacturing steam turbo sets upto a capacity of 110 MW at Hyderabad and for the manufacture of the corresponding steam boilers in Tiruchirapalli—both plants belonging to M/s. Bharat Heavy Electricals Limited.

PLANS FOR IMPROVING INDO-KOREAN TRADE

India and South Korea have recently drawn up an action oriented programme which is to result in sizeable expansion of mutual trade. A joint trade committee is to be set up representing both the countries within the framework of their trade agreement.

Recent talks between a visiting delegation from South Korea and the Indian Authorities have helped their arriving at an agreement to promote joint ventures as also to examine prospects for joint collaboration in third countries. The fields identified by the two delegations were deep sea fishing, machine manufacturing industries and silk industry.

It was felt that there were possibilities of their collaboration in joint marketing of goods in third countries and joint participation in construction contracts.

On the trade front, it was noted that there was good scope for expanding trade between the two countries. The items identified for trade programme include, ships, steel plates, newsprint, non ferrous metals, rails, iron and manganese ore and salt. For India, South Korea may become a new source of newsprint supply as also non ferrous metals.

The total trade between the two countries was worth Rs. 206.80 million in 1974-75. Indian exports to South Korea in this year were Rs. 176 million. South Korea mainly imported from India iron ore, manganese ore and concentrates Indian imports from that country included organic chemicals, peppermint and metal manufactures.

CIGARETTE INDUSTRY IN INDIA

India has an annual capacity to produce nearly 72,100 million cigarettes in a year. In 1974, the production was of the order of 62,400 million pieces. In view of the ever increasing demand, the capacity is sought to be raised to a total of 134,200 million pieces in course of time. There are 14 private units which are engaged in the manufacture of this item.

It is estimated that by 1978-79, the capacity to produce cigarettes will increase to 110,000 million pieces a year while the actual output forecast by that year is 100,000 million pieces. While no foreign collaboration is considered necessary for further expansion of the capacity, proposals for increase the capacity further will be considered by the Indian Government on merits.

Among the raw materials required, manufactured tobacco, cigarette paper and cellophane paper are available indigenously but flavouring essences, bronze powder and pectoral cigarette paper are being imported.

As a substantial part of the existing capacity is now in the hands of foreign companies, special consideration would be given by the Government of India to the progressive Indianisation of the industry.

Of the 14 manufacturing units, 5 are in Bombay namely Godfrey Phillips India Limited, Golden Tobacco Company Limited, D-Macropolo, Masters Tobacco Company, and Crown Tobacco Company; two are in Calcutta namely Indian Tobacco Company Limited and National Tobacco Company of India Limited; three in Hyderabad namely Vazir Sultan Tobacco Company Limited, Daccan Cigarette Factory and Universal Tobacco Company. The remaining units are Golden Tobacco Company Limited, Baroda; National

Tobacco Company of India Limited Andhra Pradesh; International Tobacco Company; Ghaziabad; and Nav Bharat Tobacco Company Limited Guntak.

Besides the manufacture of cigarettes, the Indian tobacco industry is also well-equipped for the production of filter rods. Its installed capacity is 2700 million rods against which actual production in 1974 was estimated at 1626 million rods. There is no raw material to be required to be imported for the production of these rods as cellulose staple fibre and cellulose papers are available indigenously. The two manufacturing units of the filter rods are situated in Bombay and Bangalore in collaboration with British and American firms respectively.

Cigarette exports from India are mainly directed to the Soviet Union. In 1973-74, the total exports were valued at Rs. 14 million (840 tonnes) of which the offtake by USSR was worth Rs. 13.28 million (798 tonnes). In 1974-75 the exports declined to fetch only Rs. 3 million mainly due to a sharp decrease in the offtake by the Soviet Union which was worth Rs. 2.4 million. In terms of quantity, the exports in 1974-75 totalled 120 tonnes of which the Soviet Union bought 96 tonnes.

PROGRESS OF SHIP CONSTRUCTION AT HINDUSTAN SHIPYARD

M/s. Hindustan Shipyard Limited, Visakhapatnam has successfully built a twin screw, 2000 BHP sea-going supply vessel which has been launched recently. This is the last of the two supply vessels which the Shipyard undertook to construct for the Oil and Natural Gas Commission (O.N.G.C.) The Shipyard secured this order on competitive tender basis and the firm order was placed by the O.N.G.C. for these two vessels. This is the second of its kind to be built so far in India. Basic design furnished by M/s. Schuller and Allan, U.S.A. was modified by Hindustan Shipyard to suit Indian conditions.

The supply vessel has been built for the O.N.G.C. to transport fuel, lubricants, cement, water, drill pipes, drill bits and other materials required for conducting drilling operations from the shore-base to the O.N.G.C.'s self-elevated drill ships at various drilling locations.

Further the vessel is equipped with a 200 HP Bow Thrust Unit for better manoeuvring at drill ship and also fitted with modern Navigational equipment such as Radar, Depth Sounder, Gyro Compass and Radio Communication equipment.

The vessel, which is expected to augment India's offshore drilling and exploration potential, is the seventy second vessel to be launched from the slipways of Hindustan Shipyard.

The Shipyard has recently laid the keel for the Pioneer type of 21,600 DWT Bulk Carrier. This is the first Pioneer class vessel to be built so far, for India Steamship Company Limited. Hindustan Shipyard have orders to build two vessels of this tonnage for India Steamship Company Limited.

It was only in mid November this year that M.V. 'INDIAN EXPLORER', a 14,000 DWT cargo-liner being build for the India Steamship Company, was launched at the Shipyard.

Hindustan Shipyard has so far constructed and delivered 66 ships of varying sizes, including small crafts, aggregating over 595,000 DWT.

ON SOAPS AND SYNTHETIC DETERGENTS

India's annual production of soap is estimated at the level of 220,000 tonnes in 1974-75. At present there are 46 units in production with a total capacity of 226,418 tonnes per annum.

Of the total export value of soaps and cleaning and polishing preparations at Rs. 16.54 million in 1974-75. Among the varieties of soaps exported, toilet soaps (other than dental soap) alone, earned Rs. 5.4 million during 1974-75. More than 30 countries imported these varieties. Among them Nepal topped the list, followed by Afghanistan, Malaysia, Thailand, USA and Singapore. Soap flaks, Chips and powder, soap bars, toilet cakes and other laundry soaps as well as medicated soaps were the other varieties exported during the year.

For the production of soaps, raw materials such as, oils and fats, caustic soda, sodium silicate, common salt, perfumery chemicals except cresylic acid, perfumery chemicals are available indigenously. The target for production is placed at 3,40,000 tonnes by the end of Fifth Five Year Plan (1978-79).

As for Synthetic Detergent, the export value reached at Rs. 9 million in 1973-74. While its licensed capacity was 212,000 tonnes. Capacity covered by letters of intent was 137,200 tonnes. Its production volume reached at 85,000 tonnes in 1974-75 as against of 70,000 tonnes in 1973-74 and 62028 tonnes in 1972-73. At present 5 units are in operation, all are in private sector with a total production capacity of 115,000 tonnes.

Raw materials used for this production such as sodium tripoly phosphale, sodium silicate, sodium sulphate, caustic soda except Alkly benzene and Sulphur are available indigenously.

Keeping in view the need for substituting boundry soap and thus conserve vegetable oils for edible and other essential uses, production of synthetic detergents is being encouraged by the Government. A scheme for the manufacture of 30000 tonnes of Alkyl benzene per year has been contemplated in a public sector undertaking and is being implemented at Koyali near Baroda. The plant is likely to be on the stream towards early 1976. This will take care of the detergent production to the extent of 200000 tonnes per year. In order to be self-sufficient for Alkyl benzene in respect of a deterzene production of 300000 tonnes per year, further capacity for Alkyl benzene will have to be planned.

Looking into the future growth in detergent production adequate steps are being taken to develop more capacity for the manufacture of sodium tripoly phosphate, another important raw material required in the manufacture of synthetic detergents.

At present a capacity of 25,000 tonnes per annum is in operation. A further capacity of 46,000 tonnes per annum has been convered under letters of intent. In addition, sodium tripoly phosphate is under active

consideration of the Government. With the successful implementation of these projects the entire requirement of the synthetic detergent industry for sodium tripoly phosphate could be made locally.

SPOTLIGHT ON PAPER INDUSTRY

Total production of the paper industry in India is estimated to have reached 837,000 tonnes during 1974, registering 40,000 tonnes rise over the output in 1973.

At present there are 68 mills in operation in paper industry with a totalled installed capacity of 995,000 tonnes of which one is in public sector and 67 in private sector. At present the paper industry's licensed capacity is 995,000 tonnes while the capacity covered by letters of intent is 251,000 tonnes.

The industry spread all over the country caters to the entire requirements of the country in respect of common grades of writing and printing paper, manufactured in several qualities such as white printing paper, map and litho, industrial paper such as wrapping, packaging paper and paper boards and speciality papers such as carbonising tissue, filter paper, insulating paper and stencil papers. Imports are restricted to a few items of specialised papers.

Most the plant and machinery for the manufacture of pulp and paper and raw materials such as hard-wood, soft wood, straw, bamboo and secondary raw material like waste paper, rags, cotton linters are available from indigenous sources.

There are proposals to improve the production of paper in the country. By the end of 1978-79 the paper industry is expected to achieve a capacity of 1.5 million tonnes per annum in terms of paper and paper boards.

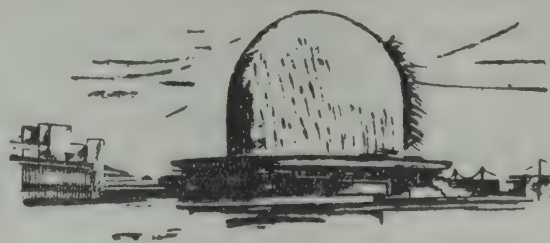
At present there is only one newsprint mill. The National Newsprint and Paper Mill Limited, Nepanagar, which is in the public sector is in operation in the country with an annual installed capacity of 75,000 tonnes of newsprint. Apart from this, the Hindustan Paper Corporation is presently engaged in setting up certain schemes for improved production of newsprint. Notable

among these, is a newsprint project with a capacity of 80,000 tonnes per annum is in the public sector in Kerala. This, together with the expanded capacity of Nepa mills will result in a total newsprint capacity of about 150,000 tonnes per annum. There are also the schemes of the West Bengal Industrial Development Corporation for a newsprint plant with a capacity of 60,000 tonnes per year and of the West Coast Paper Mills with 30,000 tonnes of newsprint per annum. Two newsprint projects have also been approved by the Government of India.

In the light of adequate domestic availability of stocks of newsprint and with a view to conserving the outgo of foreign exchange, the Government of India have recently suspended the import of newsprint.

As for the rayon grade pulp, there are 3 units at present in India with a total installed capacity of 118,000 tonnes a year. The total production of rayon grade pulp by these three units during 1974 was estimated at 110,000 tonnes as compared to 90,600 tonnes during 1973. Apart from these units, 8 units were issued letters of intent for the establishment of additional total capacity of 248,000 tonnes for the manufacture of rayon grade pulp.

Along with the planned development of paper industry in the country, the facilities for the setting up of paper mill plant and machinery have been provided. At present there are 4 machinery manufacturing units which manufacture complete equipment. Besides, a number of these firms have facilities to fabricate and supply various ancillary equipment, recovery furnaces, electric drives, conveying equipment, water treatment plants and custicizers. At present the entire batch type pulping equipment could be fabricated within the country. Paper machines of capacities upto 150 tonnes could be fabricated with some supported components.



SKETCH ON HEAVY ENGINEERING INDUSTRY

The heavy engineering sector in the Indian economy has witnessed considerable progress over the years. Compared to 1960, the production of electrical machinery in the country increased by 436 percent (1973), while the output of other machinery improved by 455 percent and that of transport equipment by 150 percent. Not only the over-all production of heavy engineering equipment increased sharply but there was considerable diversification in the range of production. Also the indigenous content in the production has been progressively raised and this was possible because of the deliberate policy of reducing imports and encouraging import substitution, besides establishing feeder industries.

The output of thermal and hydro turbo-generators which was nil in 1960-61 stood at 2.1 million kW in 1973-74. The production of transformers upto 33 kW was only 1.39 million kVA in 1960-61, but this (including transformers above 33 kV) rose several fold to 12.42 million kVA in 1973-74. Likewise, the production of motors upto 150 kW was 0.73 million kW in 1960-61 and that of motors including those with ratings even above 150 kW was 3.24 million kW in 1973-74. In these two years, the production of several other heavy engineering items has registered sizeable progress. The production value of machine tools improved from Rs. 70 million to Rs. 770 million, metallurgical equipment from nil to Rs. 400 million, coal mining machinery from nil to Rs. 120 million, cotton textile machinery and accessories from Rs. 104 million to Rs. 920 million, paper machinery from almost nothing to Rs. 52 million, sugar machinery from Rs. 42 million to Rs. 223 million, cement machinery from Rs. 6 million to 81 million, tractors from nil to 24200 nos, power driven pumps from 105,000 to 339,000, diesel engines from 43200 to 138000, commercial vehicles from 28200 to 42900, passenger cars and jeeps from 26600 to 56700, motor cycles, scooters and mopeds from 17600 to 150600.

With a view to improving utilization of available capacity in the various sectors of the heavy engineering industry in India, several steps have been taken from time to time. These measures aimed at either securing a higher level of production from the existing capacity or improving the rate of capacity utilization with minimum additions of balancing equipment. The policy framework in this respect allowed flexibility to the production units by facilitating diversification. While the Government started to ensure that the manufacturing units manage their plants efficiently and reduce the cost of production, certain measures regarding the enforcement of price controls, payment of bonus and so on were also adopted. The underlying idea has been to maintain growth in production and reduce costs so that domestic units can successfully compete in international markets.

The results that followed the measures adopted by the Government have indeed been encouraging. From a value of Rs. 2080 million in 1971-72, the production of public sector units in the heavy engineering industry practically doubled to 4090 million in 1973-74 and reached Rs. 5570 million in 1974-75. Over the same period, as against an over all loss of Rs. 130 million in 1972-73, these units made a profit of Rs. 310 million in 1974-75. Consequent upon the favourable climate of national emergency, the public sector units have raised their sights high and fixed their production target for 1975-76. at Rs. 8000 million. The growth trend in production witnessed in the public sector has also been achieved, though to a lesser extent, in the private sector of the economy too. Production increases in industries such as machine tools, textile machinery, tractors, scooters, motor cycles, mopeds, diesel engines and industrial machinery have been especially noticeable.

The role of heavy industry in India's economic growth can be judged from the fact that whereas upto the end of the Fourth Five Year Plan (1972-73), 85 percent of power generation equipment comprised imported equipment, as much as 85 percent of the capacity to be commissioned during the Fifth Five Year Plan ending 1978-79 will be from indigenous sources. Even the 15 percent of the imported equipment to be commissioned during the current plan period had been ordered earlier.

At the time of Independence in 1947, India had a total power generating capacity of 1.3 million kW but in 1975 alone, the country will be adding 2.6 million kW of power. Also, the power generating capacity which was about 19 million KW at the end of 1973-74 is expected to increase to about 34 million KW by 1978-79, mostly through indigenous manufacture. Although India started only recently with the manufacture of 55 to 120 kW Thermal turbo-sets, the economy has gone over to 120 to 200 MW sets. The 200 MW sets manufactured and supplied by domestic units have already been commissioned. The development and manufacture of 500 MW sets and 400 KV transformers and switchgears have now been taken up. There are proposals to build 700-800 kV transformers.

While electricity was not quite known in the villages of India at the time of Independence, nearly 45,000 villages were electrified and 513,400 pumps were energized by 1965-66. In 1973-74, the number of villages electrified increased to 148,000 and the number of pumps energized to 2,435,000.

Today the Indian economy is self reliant in several sectors of heavy engineering production. This trend has facilitated the reduction of import need in several cases. For instance, the need for more and more oil drilling rigs has become evident in the context of national search for oil and these rigs were to have been imported earlier. But public sector units like Bharat Heavy Electricals Ltd., have already started the production of these rigs practically without any fresh investment and by making use of the existing capacity. Also with a small additional investment, manufacture of drilling platforms is being taken up.

The Indian economy today is able to produce all the plants and machinery needed for its cement and sugar plants with a negligible import component. The Indian industry has now increased the unit sizes from 600 tonnes per day of cement plants and 600 tonnes of sugar cane crushing per day to 1200 tonnes per day of cement and 1250 tonnes of sugar cane crushing per day. The entire domestic requirement of rail and road transport are also produced within the country. These includes wagons, coaches, rails, sleepers, points, crossings, fasteners and signalling equipment. Indian roads are

being built with its road rollers and other vehicles plying on these roads are of India's own manufacture.

Production capability with regard to the plant and machinery for steel plants and development of coal and other mines has also made rapid progress in India. The capacity of the Bokaro Steel Plant is being expanded from 1.7 million tonnes to 4.75 million tonnes and that of Bhilai Steel Plant from 2.5 million tonnes to 4 million tonnes, largely through domestic effort. The country is also producing equipment of larger sizes than hitherto such as 200 cubic meter blast furnaces, 5 metres high coke ovens, 275 tonnes L.D. convertors, larger continuous casting machines, 3.6 metre plate mill, high powered drives and controls and a variety of other equipment for steel making and finishing. One of the largest size cone crushers for Bailadila Iron Ore mines was recently completed and delivered by the Heavy Engineering Corporation.

The planned massive increase in production of coal from 78 million tonnes in 1973-74 to 135 million tonnes aimed at in 1978-79 is to be carried out mainly through India's own equipment produced by the Mining and Allied Machinery Corporation, supplemented by others in the private sector.

The bulk of the requirements of machine tools and textile machinery for India's growing engineering and textile industries, or for their modernisation and rehabilitation, is now available within the country. Both these industries have registered a rapid increase in production over the last two or three years. From a production of machine tools valued at Rs. 530 million in 1972-73, their production has increased to about Rs. 770 million in 1974-75. In the case of textile machinery, it has increased from Rs. 310 million in 1972-73 to Rs. 810 million in 1974-75.

As regards plant and machinery for fertilisers, chemical process plants and refineries, domestic efforts are directed to accelerating production of such equipment to serve these industries and the progress made in the recent past has been notable. For the first time, a tonnage oxygen plant of 550 tonnes capacity per day has been delivered to Bokaro Steel Plant during September, 1975. Five more such plants will be delivered in quick succession by the end of 1977 by another public

sector unit, Bharat Heavy Plates & Vessels. Nitrogen-wash units for fertiliser plants are now being manufactured and will be delivered soon. The first vessel for extra-high pressure has been completed for the first time. Production of heat exchangers of complex design, including those with finned tubes, for various industries is picking up fast.

The country has progressed well in increasing the production of heavy engineering equipment, in taking up production of more sophisticated items of equipment and towards achieving self reliance. It is now in a position to look to outside markets and to participate in the development of other countries. India's high pressure boilers are installed in Malaysia and other countries as a part of thermal power plants. Its buses are plying on the roads of several Asian and African countries, and its wagons and coaches are being used on many railway systems all the world over. Its plant and machinery for cement, sugar, mini steel plants, textile mills and a host of other production units have found their way to other countries, assisting in the development of their economies. India's engineering consultants are engaged in the preparation of various studies and projects and in setting up plants in countries as widely

apart as Libya, Tanzania, Iraq, Iran, Indonesia, Singapore, Malaysia and many other Asian and African countries. Its railway engineers are participating in the preparation of suitable schemes for construction of railway lines in countries like Iraq and Iran. India has already set up electric transmission and distribution lines in many countries and have proved the country's capability to take up any difficult engineering job in any part of the globe. Indian structurals and tanks are being exported in a big way. Indian made pumps, diesel engines and ground water drilling rigs are engaged in the task of tapping water resources in other countries. For the first time, repair of complicated power generation equipment in other countries is being taken up by Indian engineers.

India's engineering exports which made a modest beginning in early sixties, reached Rs. 1930 million in 1973-74 and increased to Rs. 3120 million in 1974-75. In the first five months of 1975-76 (April-August, 1975) the exports have shown considerable spurt and it is hoped that they will increase to Rs. 4000 million this year, exceeding the target of Rs. 3500 million. □

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PROSPECTS OF ENGINEERING GOODS TO ITALY

The Embassy of India, Rome has recently conducted a Market Survey on the possibility of exporting engineering goods from India to the Italian market. The Survey has come to the conclusion that there would be considerable scope for increasing the Indian sales to Italy. The Indian industry in this line has already succeeded in introducing certain varieties of engineering goods in Italy. The mechanical goods sold for the first time in 1974 were electrical generators and motors as well as their parts (Rs. 2.78 million), other mechanical precision machines (Rs. 6.4 million) and cycle parts.

The specific product groups that were mentioned in the Market Survey Report are automobile parts, bicycle components, electronic components radios, transistors and wireless equipment, sewing machines, machine tools, bolts, nuts, rivets, electric motors and transformers and air compressors.

In respect of automobile ancillaries, the Market Survey has pointed out the possibility of Indian Collaboration with Italian firms for their manufacture in India. The Embassy's Survey has felt that in view of the basic interest shown by the Italian Customers, it would indeed be possible to have some export-oriented collaboration for the manufacture of the spare parts in India.

Italy is amongst the largest European exporters of bicycles. The import of bicycles and components into Italy is mostly due to shortage of their internal production. India has for the first time succeeded in exporting bicycle parts to Italy in 1974. (Rs. 6.4 million). India's exports to Italy in this line were about 22 percent of the total imports of spare parts into Italy in 1974. According to the Market Survey of the Indian Embassy, bicycle spare parts from India bear promise in the Italian Market.

Electronic components constitute yet another line in which Indian exports to Italy may have prospects. The most important supplier to the Italian market now is the Federal Republic of Germany followed by France, USA and recently Japan. Indian supplies also can make a

successful impact in this sophisticated field if the Italian buyer is convinced of quality and competitive prices.

For radios, transistors and wireless equipment in which Indian exports to the world markets have already made a mark; pre-condition for successful entry into Italy would be obviously the quality, precision and perfection of the Indian supplies.

There is a good market for exporting small, hand and cutting tools from India to Italy. But the Indian Embassy's Market Survey has opined that it would be important that both quality and shipment schedules are strictly maintained. The Market Survey has also brought to light that while the production of automatic machines has been on the increase, there has been reduction in the quantity of hand tools in Italy. Also output of small, hand and cutting tools in Italy is now being done by medium small industries. The production of such tools is no longer undertaken by big firms who are probably occupied with more mechanised products.

Bolts, nuts, rivets and washers is another field like hand and cutting tools, for which there is considerable scope for export from India to Italy, according to the Market Survey. As it is, the Italian trade in this line is confined to nearby European Markets.

Ever since 1972, Italy's imports of electric motors and transformers have been on the increase. The important exporting countries are the Federal Republic of Germany, France, Switzerland and Belgium. The Market Survey has referred to the reported feeling that Indian electric motors are not sophisticated and do not possess the right standard and quality. Indeed this feeling is ill-justified as large exports are effected in this line by Indian industry every year. The export supplies from India of electrical power machinery and switchgear including generating sets, electric motors and transformers of varying capacities have been more than doubled to reach Rs. 146 million in 1974-75 from Rs. 74.5 million in 1973-74. This is an ample proof of the growing popularity of Indian supplies which are directed to even sophisticated markets.

Air compressors is one more field where it would be possible for India to make a dent in Italian market

through proper advertisement. The Indian supplies of air compressors to the world market have also been increasing year after year.

The Market Survey of the Indian Embassy has concluded that a breakthrough has been made in the export of Indian Engineering goods in 1974 and it is important that it not only continues but also covers other products.

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Apart from the various engineering products, the other goods sold for the first time by India to Italy in 1974 were under the headings of raw plastic rubber, artificial and synthetic fibre textiles, processed paper and cardboard, ash and metals, various industrial chemical products, by-products from the distillation of carbon fossils and so on. Thus the introduction of new engineering and other products from India into Italian market recently has resulted in a small but significant diversification, pointing out to the future possibilities of trade expansion and diversification.

INDIAN SAREES POPULAR ABROAD

India's exports trade in sarees amounted to a little over Rs. 75 million in 1974-75. The saree has found a permanent place in many a feminine wardrobe abroad despite climatic differences and surprising range of fashion trends.

Cotton sarees constitute the major area of Indian exports. These fetched the bulk of foreign exchange (Rs. 39 million). The export range in the group includes a variety of sarees, such as, decontrolled powerloom sarees grey which brought in foreign exchange worth Rs. 11.3 million (4.6 million sq. metres) during 1974-75. The main importer of this variety was Bangla Desh whose intake was 4.4 million sq. metres valued at Rs. 10.8 million. Decontrolled powerloom sarees except grey (2 million sq. metres) fetched Rs. 5.6 million. The major buyers were Dubai (Rs. 1 million), Bangla Desh (Rs. 1 million) and Sudan (Rs. 2.6 million). Grey sarees (5 million metres) valued at Rs. 17 million were exported to Bangla Desh. Dyed sarees earned Rs. 1 million in foreign exchange. In this group, another variety-coloured sarees worth Rs. 1.4 million were exported. The main buyers were Singapore, U.K., Malaysia and France. Unbleached sarees earned Rs. 7 million. These were principally exported to Bangla Desh. Bleached carded yarn sarees valued at Rs. 1.43 million were marketed in U.S.S.R., German Democratic Republic and Saudi Arabia. Piece-dyed fetched foreign exchange over Rs. 1.9 million. The main importers were Bangladesh, Saudi Arabia and Sudan. Hand-printed sarees valued at Rs. 1 million were exported to Nepal, Saudi Arabia and Sudan.

Silk sarees secured nearly Rs. 19 million in foreign exchange. In this group, different varieties of silk sarees zari bordered over 90 percent silk handlooms earned Rs. 6.4 million (0.21 million metres). The main markets were U.K. (Rs. 2.7 million) followed by Singapore, Kenya and Mauritius. Other silk sarees over 90 per cent silk handloom valued at Rs. 10.2 million (0.38 million metres) were exported to U.K. (Rs. 2.15 million), Singapore (Rs. 1.4 million), Malaysia (Rs. 1.4 million) and Federal Republic of Germany (Rs. 1.2 million). Handloom silk sarees embroidered with real zari brought in foreign exchange worth Rs. 6 million and handloom silk sarees embroidered with imitation zari earned Rs. 1.36 million.

Art silk sarees were also in demand abroad. During 1974-75, the export earning in this field was valued at Rs. 17 million. Nylon sarees fetched Rs. 4.4 million. The main importers were U.K. (Rs. 2 million), Fiji Islands (Rs. 1 million), Singapore (Rs. 0.5 million). Handloom sarees of man-made fibre embroidered with zari earned Rs. 2.4 million. The major buyer was U.K. (Rs. 1.4 million). Rayon saree mill-made worth Rs. 2 million were exported to Sudan, U.K., Saudi Arabia and Mauritius.

WIRE ROPES TO USA

India exported nearly 80 million worth of wire ropes in 1974-75. Of this, USA bought nearly worth Rs. 42 million. In terms of quantity the total wire rope exports were 12530 tonnes and US purchases amounted to 6385 tonnes.

The wire ropes exported are in two major varieties — the black iron and steel variety and the galvanised iron and steel variety. The galvanised variety fetched Rs. 39.57 million while the black variety secured an equal amount in foreign exchange in 1974-75. For black wire ropes, other important buyers apart from USA were Singapore, Yugoslavia, Behrein Islands, Philippines and Canada. For the galvanised variety, besides USA, the principal customers were Yugoslavia, Singapore, Canada and Dubai.

The wire industry in India has an installed capacity of 44340 million tonnes a year. The industry's actual production in 1974-75 was about 27,000 tonnes. There

are plans to increase the industry's capacity to over 56,000 tonnes by 1978-79. The capacity expansion envisaged has already been either licensed or covered by letters of intent No. fresh capacity is being encouraged by the Government of India. Also, foreign collaboration in this line of manufacture is not considered necessary except for bicable rope ways. While partial requirements of zinc for this industry are being imported, the major raw material, namely, high carbon wire rods, are mostly available indigenously. Also, locked coil wire ropes are being manufactured in the country in sizeable quantity. Ropes for use in mines upto a depth of 350 metres are also being manufactured.

There are nine units engaged in the manufacture of wire ropes in India, most of them having collaboration from UK, Japan, Belgium and Federal Republic of Germany. Two wire rope manufacturers, one in Calcutta and another in Bombay, do not however have any foreign collaboration.

EXPORT POSITION OF WOOLLEN INDUSTRY

Indian wool and woollen's fetched foreign exchange worth Rs. 670 million through their exports in 1974-75. The fact that this industry contributes a sizable share of Dubai's total exports, is only a recent development. In 1964-65, the export of the sector was only Rs. 150 million of which raw wool exports constituted as much as 40 percent. But today manufactured woollen items in the exports of the woollen sector account for as much as 90 percent.

In 1974-75, the break-up of the export trade was as follows: carpets Rs. 338 million, knitwear Rs. 195 million, raw wool Rs. 72 million, garments Rs. 22.35 million, blankets Rs. 20 million, fabrics Rs. 16.6 million and shawls Rs. 6 million. Recently, four woollen exporters have received Awards and Certificates of Merit for outstanding export performance from the Ministry of Commerce, Government of India. M/s. Bharat Carpets Limited, New Delhi received the National Award for outstanding export performance in 1972-73. This firm is engaged in the export trade of machine-made carpets and has achieved

notable success in supplying the item to European markets in the face of stiff competition.

M/s. Raymonds Limited a leading manufacturer and exporter of woollen fabrics and ready-made trousers also received the National Award for outstanding export performance in 1972-73 in the line of fabrics and garments. In 1972-73, this firm achieved a break-through in the Japanese market and secured the first order for 30,000 trousers. The company also booked another order for nearly 20,000 yards of piece goods. Besides, it penetrated difficult markets and successfully effected initial orders for trousers.

One more woollen exporter M/s. Karsondas Madhavji, Bhadohi, Varanasi, received a Certificate of Merit for its export performance in 1972-73. This firm is stated to be a premier exporter in introducing Indian hand-made 'Hamadan' carpets in the German markets.

M/s. Walker Anjaria and Sons Private Limited, Jamnagar have received the National Award in 1973-74 for being the best exporter of raw wool. This firm has been effecting supplies primarily to UK and USSR and its export performance improved year after year inspite of the typical difficulties faced by the industry.

One more firm M/s. Obeetee Private Limited, Mirzapur received a Certificate of Merit for its export performance in the field of hand-woven carpets.

PLYWOOD EXPORTS UP

M/s. Wood Craft Products Limited, 9/1, R.N. Mukherjee Road, Calcutta 700001, have just been awarded a Certificate of Merit for their export performance during the year 1973-74. The company has been exporting plywood and their export earnings have increased four fold from Rs. 2 million in 1972-73 to Rs. 8.4 million in 1973-74. They successfully bagged an export order valued at Rs. 31.9 million from Iraq in mid 1973.

The company started in a small way in 1943 to meet the emergent requirement of tea chests during the second world war. At present, with three modern factories, the company is producing 28,000 M3 plywood. Their

trade mark ROCKETPLY is synonymous with commercial plywood, concrete shuttering plywood, decorative plywood (teak, rose, champ and chickrassi), flush doors and block boards etc. Their sale performance has risen from Rs. 2.3 million in 1960-61 to Rs. 8.50 million in 1974-75.

As compared to Rs. 41 million earned in foreign exchange during 1973-74, India's export trade in plywood amounted to a little over Rs. 69 million during 1974-75. Bangla Dosh, Iraq, Iran, Kuwait, Muscat, Nepal, Sri Lanka, UK and Uganda were the major export destinations.

In India there are several areas where wood resources are available for large scale expansion of plywood industry. Wood shortage in the world is likely to continue and the world's attention is now focused on the tropical forests and their possibilities.

TARPAULINS AND TENTS TO WEST ASIA

The West Asian markets have come to stay as major customers of tarpaulins and tents from India. Iraq, Muscat, Kuwait and Dubai have been the principal buyers.

The total export sales from these items in 1974-75 amounted to Rs. 27.3 million (nearly 2 million kg.). Iraq, the leading buyer bought worth Rs. 7 million followed by Muscat at Rs. 6.9 million and Kuwait Rs. 6 million. The imports of Dubai amounted to Rs. 6.4 million. Among the other customers were Abu Dhabi, Bahrain Islands and Saudi Arabia.

SIZABLE FOREIGN EXCHANGE FROM COTTON TOWELS

Cotton towels exports from India earned over Rs. 140 million in 1974-75. About 4.3 million kg. of mill made towels fetched Rs. 100 million and over 1.9 million kg. of handloom towels Rs. 40 million.

USA, USSR and UK were the major markets in that order for the mill made towels. USA bought 1.32 million

kg. at a value of Rs. 25 million while the purchases of USSR were valued at Rs. 20 million and those of UK Rs. 17 million. Besides the three important buyers, Canada, Denmark, German Federal Republic, German Democratic Republic, New Zealand, Poland and Australia were among the other customers.

USSR absorbed nearly half of India's total exports of handloom towels. Its purchases totalled Rs. 20.4 million while the other major buyers were Australia, Poland, Rumania, UK and USA.

INDO-BULGARIAN TRADE PLAN

The Indo-Bulgarian trade plan for 1976 envisages a turn-over of Rs. 950 million both ways with Indian exports at Rs. 515 million and imports at Rs. 425 million. The two way trade between the two countries reached a level of about Rs. 500 million in 1974.

In preparing their respective proposals for trade plan provisions for 1976, the representatives of both the Governments had taken into account the availability of goods in the countries, anticipated demand for these commodities and also changing requirements of the economies of two countries. Main items of India's imports from Bulgaria will include tea, electronic equipment, pharmaceutical products, steel products and some essential chemicals. India's main exports to Bulgaria will include leather goods, house-hold consumer durables, readymade garments and a number of engineering products like steel wire ropes and earth moving equipment, in addition to traditional items like oil cakes, coffee, pepper and jute manufactures.

The two sides also decided to set up a Working Group to identify commodities which would be beneficial to exchange on a long-term basis and in the interest of lending stability and dynamism to the mutual trade.

The trade plan reflects the mutual understanding and change in pattern of trade between India and Bulgaria. Import of leather products by Bulgaria is an important export diversification for India as this would give boost to

the Indian leather industry. Other non-traditional items like steel wire ropes and earth moving equipment are some of the good features in the trade plan. The import from Bulgaria of certain capital goods and urea are also important for the Indian economy. The Agreement in principle to discuss trade on long term basis is another achievement in the course of the present talks between the two countries.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

ON HINDUSTAN AERONAUTICS

M/s. Hindustan Aeronautics Limited, Bangalore is the single manufacturer of aircraft and aeronautic equipment in India. The company has grown from stature to stature and stands out today with its record of achievement in the context of production and product diversification as one of the most successful public-sector undertakings in India.

For the first time in the history of the company its sales crossed the Rs. 1,000 million mark in 1974-75. In this year, the value of its exports at about Rs. 5.45 million recorded a three-fold rise over the preceding year. The company has received export orders of an aggregate value of 14 million from its foreign collaborators and others for supply of components of aircrafts and helicopters as also repair and overhaul of engines. These orders are presently under execution by the Bangalore Complex and Kanpur Division of the Company. Negotiations are stated to be in progress for exporting overhauled engines.

Besides the foreign exchange earned through exports, HAL has saved substantial sums of foreign exchange by way of import substitution. A wide range of items covering castings, forgings, metallic and non-metallic raw materials, cables, a number of consumables and brake parachutes for various aircrafts has been indigenised during 1974-75. In this year foreign exchange savings of the company due to indigenisation of new items were estimated at about Rs. 4.2 million per year.

With a man-power of nearly 40,000, the company has branches at Kanpur and Lucknow besides the Bangalore Complex and the MIG Complex. The Company manufactures and overhauls various types of air crafts and helicopters with related engines and equipment including air-to-air missiles, the principal customer being the Indian Air Force.

In the Bangalore Complex of the company, a recent important achievement of the Engine Division was that the main rotor blades of the helicopters produced by it successfully completed the qualification tests and the life of the blades was increased from 300 hours to 750 hours. Further efforts are being made to attain the full blade life of 2500 hours during 1975-76. In the MIG Complex, the performance of the Koraput Division was satisfactory, while there were some shortfalls in production recorded in the Nasik and Hyderabad Divisions. During 1974-75, the Lucknow Division of HAL commenced manufacture of accessories of western origin from raw-materials. Pre-production activities for the manufacture of accessories for MIG aircraft and engines as also French accessories for aircraft and helicopters manufactured in the Bangalore Complex have also commenced. Besides the progress in the production of main aircraft and equipment, HAL has witnessed substantial improvement in the production of ancillary industry in and around its Divisions.

The major task of the Design Organisation of HAL is to design and develop fighter aircraft to meet the requirements of the Indian Air Force in the next decade. The first proto-type of Ajeet Craft made its maiden flight in March this year. Two Basant Aircrafts were used in actual spraying operations in the fields of Rajasthan and Andhra Pradesh. The other design and development tasks of HAL Bangalore include the development of Mark II version of Kiran aircraft, successful completion of the first phase of development of the agricultural version of Cheetah helicopter, feasibility study for the development of small passenger aircraft and so on. The Design and Development wing of the Hyderabad Division of HAL has witnessed progress in the development and production of ramp tester of IFF (Airborne) equipment. Three Industrial Prototypes of a new radio compass were fabricated and flight trials carried out in Gnat aircraft. At the Lucknow Division of HAL

work on the design and development of hydraulic components for Ajeet aircraft, static inverters, voltage regulators, air data computers, radio magnitude indicator, engine speed indicators and altimeter vibrator is in progress.

HAL has been thus meeting the challenge of aircraft production in modern India. The company's activities have been considerably expanded since its inception especially in the context of output expansion and product diversification. This concern has now entered the field of exports and has come to earn valuable foreign exchange through its supplies overseas, besides covering a growing area of import substitution and indigenisation.

UNIDO COMPLIMENTS INDIA'S MACHINE TOOL KNOW - HOW

India's premier machine tool manufacturer, M/s. Hindustan Machine Tools, has been recently complimented by a visiting expert of UNIDO 'as a source for expertise, know - how and equipment for being offered to other developing countries under UNIDO assistance.'

M/s. Hindustan Machine Tools Limited, Bangalore, a public sector undertaking, and a recognised export house has been exporting machine tools and wrist watches even to highly developed countries like the USA, Canada, and the German Federal Republic. The company has recently received the National Award for outstanding export performance in the year 1973-74. It has adopted innovative measures to gain entry into sophisticated markets and established itself even among the renowned machine tool exporters the world over.

HMT has been collaborating with local manufacturers in some of the developing countries such as Sri Lanka and Malaysia with a view to sharing them of continuous and sizable exports. It has also been successful in a convincing customers and agents in industrially advanced countries like USA, Netherlands, Federal Republic of Germany, Denmark, Switzerland, UK and Australia regarding the high quality and performance of its products.

HMT's exports rose from Rs. 10.50 million in 1972-73 to Rs. 17.50 million in 1973-74. It has opened branches

and offices in Europe and Australia for promoting sales for keeping stock of machines in bonded ware houses.

At present the registered capacity of machine tools manufactures is of the order of Rs. 1290 million. With 7 units in public sector and 108 number of units in private sector, the industry has total installed capacity worth Rs. 1200 million. The production of this group of items in the year 1974-75 was raised to Rs. 900 million from Rs. 678 million in 1973-74.

PLANS TO IMPROVE PRODUCTION OF PULSES

A wide variety of pulses grown in the various states of India cater to the consumer needs of the domestic economy of India as also earn foreign exchange through export sales. In 1974-75, the export value was over Rs. 15.7 million. The export varieties include beans and peas, grams, moong, tur and urad. The importing countries include, Singapore and Malaysia, Nepal, USA, Arab Republic of Egypt and UK.

Several measures have been introduced from time to time with a view to expanding the area under pulses cultivation in the various states of the country as also to improve the overall output of pulses. The Pulses Development Council organises the national effort to improve the output in the line as also studies the specific problems standing in the way of pulses and devises ways and means by which solutions are found. The Council which has met recently has proposed to introduce procurement of pulses in surplus states as an incentive to farmers to increase their production. The procurement is expected to provide the farmers with minimum support price for their crop, so that the prices could be stabilised over a period of time. The improvement in pulses production targeted for the Fifth Five Year Plan ending 1978-79 is sought to be achieved by an increase in the yield per acre and not merely by an increase in the area under production of pulses. Another important measure being taken in the context of pulses production is to

control and eliminate the production of spurious rhizobium through legislation.

The major strategy for increasing pulses production is by popularising the package of practices through proper use of inputs. The practices include the sowing of good quality seeds, early weeding, the applications of phosphatic fertilizers and so on. Another strategy to increase pulses is to introduce their cultivation in drought prone areas.

It is hoped that all these measures being taken to improve domestic output of pulses will help not only to meet increasing home demand but also to release surpluses to the export market.

TAKE-OVER OF BURMAH SHELL

The Government of India and Burmah Shell have reached an understanding for the 100 percent acquisition by the Government of the Burmah Shell refinery and marketing undertakings in the country.

The Government and Burmah Shell have agreed that all necessary formalities will be completed during the next few weeks so that ownership of the company can be transferred by December, 31, 1976.

The Burmah Shell refinery is capable of handling a wide range of crude oils and also has secondary processing facilities. Although the current operating level of the refinery is 3.75 million tonnes per year, it is capable of processing 5 to 5.25 million tonnes of crude. With some additions, the operation level can go up to 6 million tonnes.

With its existing arrangements and without any substantial alterations, the Burmah Shell refinery is capable of processing upto 2 million tonnes of Bombay High crude. The takeover of this Refinery by the Government, assumes special significance in the context of commencement of production from Bombay High in 1976.

The Burmah Shell Storage and Distributing company of India, which handles the marketing operations, has a network of 5 port installations, 73 depots and 3175 retail outlets. Being one of the first entrants in the field of marketing, the company has a large number of valuable and strategically located retail outlets in major cities and towns.

With the takeover of Burmah Shell, Government would take of nearly 95 per cent of the total production and marketing of petroleum products in the country.

The Government had earlier taken control of ESSO's business interests in the country in March 1974 when it acquired 74 percent equity in both the ESSO Standard Refining Company and ESSO Eastern's marketing branch operation. Government will assume 100 per cent ownership of that company in 1981.

Discussions for the takeover of Caltex and the Assam Oil Company, the only two other foreign-owned refinery and marketing companies left in the country, are expected to begin in the near future.

INDIAN ECONOMY IN 1975

The Indian economy has been under unprecedented strain in recent years particularly from 1971 onwards on account of both internal and external factors. The Bangladesh crisis of 1971 witnessed a heavy influx of about 10 million refugees into the country. The resultant massive relief operations for several months placed a heavy burden on the country's resources. This was immediately followed by a severe and wide spread drought in large parts of the country resulting in a sharp decline in food production.

The short supply of foodgrains, agricultural raw materials and power led to a slackening of industrial production. At the same time, deficit financing on a large scale expanded money supply significantly and these developments together contributed to the building up of strong inflationary pressures in the economy.

This was further accentuated by the international payments crisis caused, *inter alia*, by the escalation in the prices of petroleum products early in 1974 and of food and fertilizers.

Consequently, the price level rose sharply and increased the pressure on the balance of payments after some years of respite. The shortages of essential inputs and consumer items strengthened the stranglehold of the hoarders, blackmarketeers and smugglers over the economy.

The annual rate of inflation jumped from an average of 4 percent in 1971-72 to 9.9 percent in 1972-73 and to 22.6 percent in 1973-74. The first half of 1974-75 recorded the sharpest rate of increase in prices in post-war years, reaching its peak in the third week of September, 1974. The Index at this point was 32 percent higher than during the corresponding period a year ago. In the first half of 1974 itself, the rate of inflation was running at about 2.5 percent per month.

In these circumstances the control of inflation became the foremost concern of the Government. A series of anti-inflationary measures were, therefore, introduced in July 1974 under the Second Finance Act. The gravity of the situation can be realised from the fact that these measures had to be introduced soon after the regular annual budget for 1974-75.

The measures introduced consisted of (a) restraint in the growth of money supply achieved through economy in governmental expenditure and restrictive credit policies, (b) greater resource mobilisation through non-inflationary means to finance growth-oriented, core sector investment, (c) augmenting the availability of essential commodities of mass consumption through increased imports and strengthening of the public distribution system, and (d) providing greater incentives for more production, higher saving and greater investment.

These measures were supplemented by putting restraints on private consumption expenditure through the impounding of additional wages and dearness allowance, curbs on dividends and other incomes. The Government also took stringent action against anti-social elements under the Essential Commodities Act, the Defence

of India Rules and the Maintenance of Internal Security Act (MISA) which was specifically amended in September 1974 to cover smuggling activities.

As a result of the various anti-inflationary measures, fiscal, monetary and administrative — and the favourable market psychology created thereby, the rate of price inflation began to abate. The monthly rate of increase in the index of wholesale prices declined from 3 per cent in July 1974 to 2.6 per cent in August and further to 1.6 per cent in September. The wholesale price index (1961-62 = 100) after touching the peak of 330.7 in the third week of September 1974 took a downward turn and recorded a continuous decline upto the first week of April 1975 when it stood at 305.9. The annual rate of inflation (point to point comparison) which had risen to 32 percent in September 1974 declined to 7 per cent by the first week of April 1975.

During the first weeks of the current financial year, however, the index showed a rising tendency as a result of a revival of speculative forces following court decisions to release smugglers. It, therefore, became imperative further to plug the loopholes and to intensify the drive against the anti-social forces. By the end of June 1975 the index was almost at the same level as a year earlier. Thus India became one of the very few countries to arrest the forces of inflation, a unique achievement in today's inflation-ridden world.

In view of the above circumstances, the control of inflation was given the top priority in the New Economic Programme announced by the Prime Minister of India soon after the declaration of the Emergency. Besides holding the price line and intensification of the drive against hoarders and smugglers, the 20-Point Programme also envisaged relief to the consumer through a reduction of income tax and strengthening of the public distribution system, particularly the arrangements for the supply of controlled cloth and special provision for the supply of essential commodities to the weaker sections of the population. The combined effects of these measures was a further deceleration in the rise in prices.

As the period from mid-May to mid-September is the lean season for agriculture, there would normally have

been, in the subsequent two to three months, a seasonal rise in prices, but as a result of the new measures even the normal seasonal pressures were held down. The index of wholesale prices during this period hovered around 312, reflecting fair degree of stability. In the early part of November 1975 the general index was 4.6 percent lower than a year ago.

Whereas the control of inflation through a check on effective demand and curbs on speculative forces is more urgent for meeting the short term exigencies, there is no doubt that increased production is the only lasting solution to the problem of inflation. Hence, measures leading to accelerated production both in the agricultural and industrial sectors were accorded a very high priority in the Prime Minister's New Economic Programme. Sluggishness in agricultural as well as industrial production was not entirely due to natural factors. A slowing down in the rate of investment in the economy and shortages in key sectors like irrigation and power with the increasing cost of Indian imports which put a heavy strain on the country's foreign exchange resources were factors which had contributed to the unsatisfactory growth performance of the economy. These have been given due recognition in New Economic Programme.

Agricultural production increased at an average rate of more than 4 percent upto 1970-71 following the severe drought of 1965-67. Since then it has been subject to large fluctuations, declining during 1971-73, recovering in 1973-74 but again stagnating thereafter. According to preliminary information, it is expected that in 1974-75 production of foodgrains as well as some important commercial crops such as jute and mesta, oilseeds as well as sugarcane was below the level of production reached in 1973-74.

This stagnation in production is due apart from weather conditions, also to the slow growth of irrigation, shortages and high cost of fertilisers, inadequate supply of quality seeds and credit. Under the New Economic Programme the outlay on medium and major irrigation schemes has been stepped up. Emphasis is being placed on a faster increase in the creation of irrigation potential, maximum utilisation of the existing potential, easier availability of fertilisers at reduced prices and provision of credit in larger measure. For meeting the increasing requirements of quality seeds, the all-India seed producing

organisations such as the National Seeds Corporation of India, the State Farms Corporation of India etc. have been strengthened and a comprehensive seed development and production programme is being taken up with the assistance of the World Bank. Government have also effected a reduction in the price of fertilisers with effect from July 18, 1975, with a view to encouraging their offtake. The distribution margins allowed to the marketing agencies have been increased for the same purpose. Additional resources to the extent of Rs. 1230 million (over 1974-75 outlay of Rs. 3570 million) have been provided to the states by the Central Government for enabling them to meet the resource gap in respect of irrigation projects.

The combined impact of the measures introduced in recent months helped by the favourable turn in the weather has transformed the outlook for the economy during the current year. According to the present trends, there is a likelihood of a significant expansion of national output. The declining trend in agricultural production has been reversed. Kharif output in 1975-76 is expected to increase substantially. Total foodgrains production in the year, as a whole, may be fairly close to the targetted level of 114 million tonnes. The prospects for commercial crops except jute and mesta are also very good. Agricultural production may register an increase of more than 7 percent as against the marginal declines in the previous year.

In order to step up investment and industrial production, particularly, in the core sector, the annual plan outlay for 1975-76 has been increased by 23 per cent over 1974-75. This was done through the mobilisation of a record level of resources through greater tax effort, fiscal discipline and economies in expenditures. The Central Government mobilised additional resources of the order of Rs. 6900 million. This effort was supplemented by a similar contribution of Rs. 3580 million by the States. The Central Government's additional tax effort was reinforced by impounding of additional wages and dearness allowance and ceilings on dividends.

In the Annual Plan for 1975-76, priority has been given to the key sectors, apart from agriculture and irrigation, such as power, fertiliser, coal, petroleum, cement,

transport etc. The outlays on power and industry have been stepped up by 44 percent and 50 percent respectively. The addition to power generating capacity during the year is envisaged at 2.6 million kws., which is more than 10 percent of the existing capacity. Super thermal power stations are to be set up in the vicinity of coal fields and preparation of project reports for four such super thermal stations has been expeditiously completed under the new programme. Within the four months since the declaration of the New Economic Programme, the shortfall in the availability of power as compared to estimated requirements was brought down to a bare 2 per cent while earlier it had been as much as 15-20 per cent.

A number of measures have been taken to stimulate investment in the private sector and to ensure fuller utilisation of installed capacity. Several priority industries which were constrained by capacity bottlenecks have been permitted to expand their capacity upto 25 percent. Industrial undertakings in 15 engineering industries considered important for the export effort have been permitted to grow at the rate of 5 percent per annum over and above the normal permissible limit. Licensing provisions for medium and small entrepreneurs have been liberalised and 21 industries were exempted from those provisions, subject to the condition that they would not require imported raw materials, capital goods or foreign collaboration.

With increased availability of power, transport, steel and other inputs, including especially agricultural raw materials, higher rate of capacity utilisation and enhanced plan outlays, the rate of growth of industrial production is expected to improve significantly in 1975-76 against the estimated increase of only about 3 percent in 1974-75 and less than 1 percent in 1973-74. The data for certain selected industries indicate even more substantial improvement in output during July-September 1975 over the same period last year. For example, the production of vanaspati, nitrogenous fertilisers, aluminium, copper, lead, scooters and vehicles and vehicular engines, went up by 20 per cent. Production of coal, saleable steel, cement, petroleum refinery products, etc. increased by between 10 percent and 20 percent. On the other hand, output of cotton yarn and cloth, cars and jeeps declined due to certain special factors which

tended to depress the demand for these products. The overall rate of growth in the public sector undertakings during the first six months of 1975-76 is estimated to be of the order of 19 percent over the same period last year.

Till such time as supply of essential commodities becomes abundant, an effective public distribution system has to be maintained both as an instrument of price stability and social justice and especially to protect the vulnerable sections of the society. Accordingly, greater attention has been given to regulating supplies of essential consumer items through a net-work of ration-fair price shops—consumer cooperative stores and so on. These outlets handle foodgrains, sugar, controlled cloth and other articles of daily use. Not only supplies were assured to the consumers through these channels but efforts were made to keep the prices at reasonable levels. A full-fledged Department of Civil Supplies has been set up at the Centre to keep a constant vigil on this area of public policy. The sole agency system in certain items was abolished primarily with a view to reducing distribution costs and trade has been required to display prices and stocks.

The stagnation in agricultural and industrial production in the past two years in the wake of rampant inflation had led to a severe erosion in the purchasing power of the common man. The stagnation also had adverse effect on the expansion of employment opportunities. The New Economic Programme, therefore, included important measures to achieve greater social justice and improve the economic conditions of the weaker sections of society.

The country has faced a formidable payments problem in the past two years, chiefly on account of a deterioration in its terms of trade, in particular, owing to sharp increases in the price of petroleum and petroleum products. Although export earnings recorded an impressive growth of about 31 percent during 1974-75, the country had to contend with a huge trade gap, as imports increased much more than exports (i.e. by about 51 percent), largely due to the high costs of crude petroleum and petroleum products, food and fertilisers. Further, a declining tendency was observed in exports

in the first few months of 1975-76 (mainly due to the recessionary conditions prevailing in the developed countries) which caused great concern. Provisional data for April-September 1975 indicate a rise of 14.3 per cent in exports and 22.2 per cent in imports over the previous year. The trade deficit during the period was thus about 50 per cent larger than that of about Rs. 4170 million during the same period last year. The prevalence of recessionary conditions abroad has visibly slackened exports, while the latest hike in oil prices would considerably add to the import bill.

A package of export promotion measures has, therefore, been introduced in recent months to boost exports. These measures include delicensing of about 190 items of exports, exemption from duty and materials imported against advance licences subject to export obligation, removal of export duty on certain items, liberalisation of export credit, simplification of disbursement procedures for cash assistance as well as extension of cash support to several non-traditional and traditional export items.

All these measures are expected to contribute to a higher rate of growth in exports in the near future. It will no doubt be some time before the full impact of these measures is felt; however, of late, there have been some favourable developments in the balance of payments. There has been substantial increase in the country's foreign exchange reserves in the last few months. This is partly due to drawals on IMF oil facility of the

order of Rs. 2920 million and partly due to a higher level of private remittances from abroad as a consequence of curbing smuggling activities and a drive against black money.

To accelerate this process Government have adopted a scheme to encourage the flow of funds from non-residents of Indian nationality or origin. Under this scheme, such persons can remit funds to India and maintain accounts in the currencies in which the remittances are received. Government have also liberalised the provisions for the repatriation of investment by such persons. With a view to imparting greater stability and realism to the external value of the rupee, the rupee has been delinked from the pound sterling and under a new arrangement it is pegged to a basket of selected currencies. Its exchange rate is now determined with reference to the daily exchange rate movements of the currencies in the basket. The pound sterling will, however, continue as the currency of intervention.

India's success in achieving stability in the price level, in increasing agricultural and industrial production and in facing the problems of external payments, is not only a matter of satisfaction and justifiable pride but the fact that these achievements have taken place in an atmosphere of harmonious industrial relations and a new emphasis on discipline in the context of the Emergency augurs well for a faster growth of the economy. □

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DIESEL LOCOMOTIVES TO TANZANIA

India-built diesel locomotives fitted with traction equipment designed and made by Bharat Heavy Electricals Limited, will soon haul the trains in Tanzania.

The first of the 15 diesel locomotives on order with Diesel Locomotive Works and equipped with BHEL-electrics has recently been formally handed over to the Tanzanian High Commissioner in India. Each metre gauge diesel locomotive will have hauling capacity of nearly 1400 horse power.

About 400 broad and metre gauge diesel locomotives, fitted with BHEL-Bhopal built electric traction equipment, are already hauling freight and passenger traffic in India.

The electrics including traction machines and traction control equipment for the diesel locomotives for the Tanzanian Railways have been supplied by the Bhopal and Hardwar Units of BHEL. The supply marks the

country's entry into the world market through export, for the first time, of electric traction equipment made by BHEL.

Apart from electrics for broad gauge and metre gauge diesel electric locomotives, BHEL is also manufacturing and supplying electrics for suburban trains in Bombay area and in Calcutta area, AC locomotives, DC locomotives, shunting locomotives for steel mills and also for Tram cars. BHEL has also designed equipment suitable for trolley wire locomotives for use in mines.

INDIA EXPORTS BUSES AND TRUCKS

Export utilization of India's road motor vehicle industry aggregated Rs. 302 million in 1974-75. Besides growing overseas supply of automobile equipment and accessories, the industry has now emerged as a significant supplier of buses and trucks.

In 1974-75, India exported 439 buses valued at Rs. 36.43 million. The importers were Zambia, Uganda, Iraq,

Gyana, Arab Republic of Egypt, Bahrein Islands, Mauritius, Abu Dhabi, Dubai and Sri Lanka. The maximum number of buses were bought by Zambia (75 buses at Rs. 7.5 million), Mauritius bought 47 buses, Guyana 39 buses, Arab Republic of Egypt 37 buses, Iran and Uganda 36 each, Bahrein Islands 44 buses, Afghanistan 34, and Sri Lanka 24 buses.

Newly assembled lorries and trucks are also active in the export market. In 1974-75 their export earning totalled Rs. 37.75 million. Uganda bought 249 numbers out of the total 615 and paid Rs. 17 million. The other buyers were Arab Republic of Egypt, Sri Lanka, Malaysia and Abu Dhabi. Motor Cycles, motorised cycles and auto rickshaws were also exported in notable quantity. In 1974-75 these were supplied among others to Hongkong and Nepal, while auto rickshaws were sold to Afghanistan, Indonesia and Hongkong.

India's licensed capacity for the production of commercial vehicles including jeeps is about 110,000 nos. a year. Of this the capacity for heavy and medium commercial vehicles is 78,000 numbers, light commercial vehicles 12,000 nos; and jeeps 20,000 numbers per annum. An additional capacity of 90,000 is being planned in respect of light commercial vehicles. Actual production in 1974-75 was 35, 500 in respect of heavy and medium commercial vehicles; 4700 in respect of light commercial vehicles; and 9800 jeeps. There are 8 manufacturers engaged in the production of commercial vehicles in India namely M/s. Ashok Leyland Limited Madras; M/s. Hindustan Motors Limited Uttarpara (West Bengal); M/s. Premier Automobile Limited, Bombay; M/s. Standards Motor Products Limited, Madras; M/s. Tata Engineering and Loco Company Limited, Bombay; M/s. Mahindra and Mahindra Limited, Bombay; and M/s. Simpson and Company Madras.

Under the current industrial licensing policy of the Government of India, proposals for further manufacture in the line of commercial vehicles are welcome and foreign collaboration can also be considered on merits.

COTTON SHIRTS TO USA

The United States of America has emerged as a significant buyer of cotton shirts from India. Its purchases, valued at about Rs. 72 million in 1974-75 were mainly in the line of cotton dress shirts (2.4 million nos. at a value of Rs. 53 million). USA also purchased cotton T shirts valued at Rs. 5 million (460,535 numbers). Cotton work shirts at over Rs. 1.06 million and cotton under shirts Rs. 7.34 million (about 380,000 numbers).

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PROFILE ON INDIA'S PUBLIC SECTOR

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India's total export trade in cotton shirts amounted to Rs. 165.50 million in 1974-75. Of this, the share of cotton dress shirts was as much as Rs. 129 million (6.37 million nos.). Besides the US market, these shirts were exported in sizeable quantities to the UK, Sweden, Italy, France, German Federal Republic, Iraq, Netherlands and Norway.

Cotton under-shirts is yet another line of export prominence in recent years. These exports secured Rs. 36 million in 1974-75 mainly from USSR (Rs. 10.46 million), USA (7.34 million) and UK Rs. 2.3 million. German Federal Republic and Italy are also active buyers of these under-shirts.

All-white cotton shirts made in India are also catching up in World markets. USA, France, German Federal Republic and Netherlands mainly made up the total export sales of these shirts at a value of Rs. 17 million.

Iraq and France followed by USA and Italy were among the principal importers of cotton knit shirts. These shirts were at an aggregate value of Rs. 7.3 million, of which Iraq accounted for Rs. 2.4 million and France Rs. 1.9 million.

EXPORT OF BRIGHT BARS

An amount of Rs. 51.46 million was realised through India's export trade of bright bars in 1974-75. The quantum exported was 20,121 tonnes.

The major importer of bright bars from India in 1974-75 was Iran. Its purchases totalled Rs. 19.45 million (7323 tonnes). Next in importance was the Thai market whose imports aggregated 4062 tonnes at Rs. 9.14 million. Dubai was also an important buyer (1639 tonnes at Rs. 3.5 million). USA was another important buyer and its imports were in the neighbourhood of 1035 tonnes valued at about Rs. 3 million.

India's total production of bright bars in 1974 was 53,900 tonnes. The registered capacity of production in the line is about 79,000 tonnes. Additional capacity covered by letters of intent is 17,000 tonnes. It is expected that by 1978-79 the effective capacity to produce bright bars would

be about 600,000 tonnes a year. It is planned that by 1978-79 bright bars output will be raised to 250,000 tonnes per year of which 100,000 tonnes will be earmarked for exports. No foreign collaboration is allowed in this line of production. Already there are 27 units active in this sector.

GRAMOPHONE RECORDS FOR EXPORT

Nearly a million gramophone records were sold by India in 1974-75 at a value of over Rs. 10 million. The British market bought 346,945 records at Rs. 3.85 million. The records were also popular in the US market which bought 92,880 records at about Rs. 1.15 million. These were purchased among others by Hungary, Singapore, Surinam, Dubai, Fiji Islands, Malaysia, Guyana, Canada and Czechoslovakia. Netherlands and Hungary were among the principal buyers of sound recorders and reproducers while Hungary is an important buyer of gramophones.

Besides, India also exports harmoniums, string musical instruments, pipe and reed organs and other musical instruments. Including the export value of gramophone records, India's overseas sale of musical instruments earned a total foreign exchange of Rs. 15.21 million.

FOREIGN EXCHANGE FROM TOURISM INDUSTRY

With over 423,160 tourist arrivals in 1974 India has earned foreign exchange worth Rs. 697 million in the year. The earnings from the tourism industry have been consistently growing — Rs. 252 million in 1967, Rs. 380 in 1970, Rs. 483 million in 1972, Rs. 675 million in 1973 and Rs. 679 million in the subsequent year.

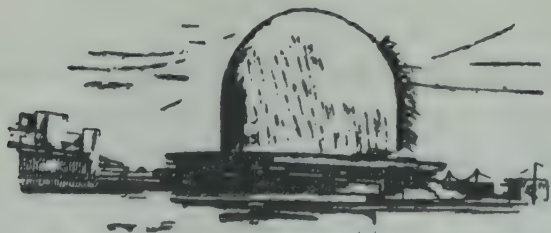
Tourism Industry is in fact the world's largest industry. In 1973, an estimated 215 million tourists crossed international borders spending an equivalent of \$ 28 billion. India's share of the world's tourist traffic is small but growing. In 1974 India ranked as the twelfth largest foreign exchange earner in the world.

Being fully aware of the importance of tourism as an industry, the Government of India have initiated several programmes towards the development and financing of tourist infra-structure, improvement of the existing tourist facilities, liaison with international travel bodies and the operation of tourist offices in India and abroad.

As a result the various measures taken, the tourist facilities have been notably improved. In 1963 there were 7085 rooms in 186 approved hotels. By 1974, this almost doubled to 14,42 rooms in 215 hotels. By the end of 1975, the number of rooms is expected to rise to 15,420. The need for an additional 11,000 rooms has been appreciated to provide for 800,000 visitors expected in 1978.

Other tourist facilities like youth hotels, tourist bungalows and restaurants have also been strengthened. The tourist is also being provided with a new choice of places for visiting. The places of historic and archaeological interest apart, beach resorts, wild life sanctuaries and winter sports are some of the areas being developed.

Besides, travel and customs regulations have been liberalised for foreign tourists. Tourists to India no longer need a visa for a visit of upto 28 days. The Indian Airlines have brought out the 'Discover India Tickets' by which a tourist can travel all the Indian Airline routes for 14 days and 21 days at a flat rate of \$ 200 and \$ 275 respectively. The Indian Railways have also provided similar 'travel-as-you-like' tickets for 21 days.



INDO-RUMANIAN TRADE AGREEMENT

A new Long-Term Trade and Payments Agreement between India and Rumania which has been recently signed will be valid for the period 1976-80 and maintains the Payment Pattern in non-convertible rupees. The long term trade plan is to help boost the total trade turnover in commodities as well as industrial collaboration. It is expected that the trade turnover between the two countries will be doubled in actual terms in the next quinquennium.

The Agreement also contains a trade protocol for 1976, envisaging a total trade turnover of Rs. 1240 million — 10 percent higher than the trade plan target of Rs. 1130 million for 1975.

The conclusion of the Agreement was preceded by high level talks between the Rumanian Minister of Foreign Trade and India's Commerce Minister. The latter, in course of the talks, urged that new areas of industrial collaboration and new commodities for trade be identified. He felt that there could be good scope for mutual collaboration in the fields of agriculture, metallurgy, shipping and other industries. The visiting Rumanian Minister stated that his country was setting up a joint venture project in Madras in the field of leather. India has already had the advantage of Rumanian collaboration in various refineries in Gauhati, Barauni and Haldia.

Indo-Rumanian trade has been growing constantly for the last few years. Indian exports to Romania amounted to Rs. 245 million in 1974-75 as against Rs. 152 million in 1973-74. Rumania is an important supplier of fertilizer and oil drilling equipment to India and has also played a major role in developing India's oil refineries. Next to Japan, Rumania is one of the major importers of India's iron ore. Other exports from India to Rumania include traditional commodities like textiles, jute goods and oil cakes as well as non-traditional products like machine tools.

The long-term arrangement covers iron ores, machine tools, mica, pig iron and jute goods for exports to Rumania and oil drilling equipment, fertilisers, ships, chemicals and drugs and machinery and equipment for imports to India.

India's trade with Rumania has registered a consistent growth of about 15 to 20 percent during the last ten years.

The actual turnover increased from Rs. 273 million in 1971 to Rs. 635 million in 1974. The estimated turn over during the current year is expected to cross a figure of Rs. 800 million.

CASHEW EXPORT HIGHLIGHTS

During the first nine months of 1975 (January-September), the exports of cashew kernels amounted to 42,027 tonnes valued at Rs. 769 million. This was less than the export in the comparable period of last year amounting to 43,207 tonnes valued at Rs. 775 million. Though exports to Japan, U.S.A., Netherlands, France, Australia, Kuwait, Hong Kong, Singapore were higher during 1975, exports to U.S.S.R., Canada, Czechoslovakia, German Democratic Republic, German Federal Republic and U.K. were lower than in the corresponding period of 1974. The comparative exports to the important destination during the two comparable periods were USSR 19,468 tonnes as against 21,571 tonnes; USA 11,753 tonnes against 10,329 tonnes; Japan 2,930 tonnes against 1,233 tonnes; Australia 1,629 tonnes against 1,554 tonnes; Canada 1,511 tonnes against 3,313 tonnes; Netherlands 984 tonnes against 718 tonnes; Hong Kong 726 tonnes; against 688 tonnes; U.K. 537 tonnes against 688 tonnes; Singapore 315 tonnes against 263 tonnes; G.F.R. 302 tonnes against 643 tonnes, France 292 against 97 tonnes, G.D.R. 284 tonnes against 614 tonnes; Kuwait 236 tonnes against 160 tonnes and Czechoslovakia 85 tonnes against 499 tonnes.

In the first nine months of 1975 (January-September), 3,522 tonnes of cashewnut shell liquid valued at Rs. 8.8 million were exported from India as against 3,602 tonnes valued at Rs. 7.7 million during the same period last year.

In the year 1974-75, the exports of both cashew kernels and cashew shell liquid registered an all time record of Rs. 1198 million (71,721 tonnes) over the export earnings of Rs. 749 million (56,139 tonnes) in the previous year. The industry during the year also mobilised better collection of indigenous raw cashew nuts for factory processing

and export. The industry, largely dependent on imported cashew nuts, is hopefully looking ahead to self-sufficiency. This is evident from the fact that during the year, the import of raw cashew nuts was not entirely in proportion with the growth of export. While the growth in export of cashew kernels was of the order of 23 percent in terms of quantity, the increase in the import of raw cashew nuts was a mere 7 per cent. This accounted for increased participation of indigenous raw nuts in the exports resulting in better performance. This reflects a healthy trend in indigenous production of raw nuts.

Amongst the importing countries of cashew kernels from India, the USSR topped the list with an intake of 39,712 tonnes, which is nearly 60 percent of the total exports of cashew kernels. The U.S.A. followed with 10,720 tonnes while other markets like Australia, Canada, Netherlands, Hong Kong, New Zealand, Kuwait, France and Iran showed improvement.

The exports of cashew shell liquid also registered an increase. Its exports amounted to 6696 tonnes valued at Rs. 16.7 million in 1974-75 as compared to 3846 tonnes valued at Rs. 5 million in 1973-74.

The major destinations were U.K., Japan, U.S.A., Rumania, Korean Republic, Yugoslavia and Czechoslovakia.

The total area under cashew cultivation in India is estimated to be nearly 500,000 hectares. Kerala is the main cashew growing area in the country. The annual production of cashew in India is estimated to be 204, 600 tonnes of raw nuts. The indigenous production of raw cashew nuts in India falls much short of its export requirements and the country have been depending to a considerable extent on the import of raw cashewnuts from other countries such as Tanzania, Mozambique and Kenya. During 1975 the total imports by the Cashew Corporation of India Limited, through whom the import of raw cashewnuts and the distribution is canalised, are to be about 146.12 million kgs. as against 177.11 million kgs. during 1974.

Indian cashew kernels are the accepted snacks everywhere anytime; particularly at cocktails.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

FACTS ON IRON AND STEEL INDUSTRY IN INDIA

Over a thousand years ago, India manufactured and exported steel. The total production of steel went up by 148 percent in the case of steel ingots and 147 percent in the case of saleable steel between 1964-65 and 1974-75. Saleable steel making capacity of the country which stood at 4.5 million tonnes in 1964-65 has increased to about 12 million tonnes (including electric furnace steel units and Bokaro). From an almost zero production of alloy, tool and special steels, India is at present producing these special categories of steel at an annual rate of 350,000 tonnes. Steel availability in the country increased from 5.3 million tonnes in 1964-65 to 6.6 million tonnes in 1974-75 showing an increase of twenty five percent. The Bokaro Steel Plant with an initial capacity of 1.7 million tonnes of steel has almost been completed. Capacity for production of steel in the country has more than doubled in the last decade. In 1964-65, the country was dependent on imports for all categories of alloy steel. Now bulk of the requirements is produced within the country. There was record availability of steel in 1974-75 and the steel market is no longer inhibited by shortages. The country has achieved the position of being able to export sizeable steel. In 1975-76 the exports are expected to amount to Rs. 1100 million. In the past decade India has not only achieved self-sufficiency in steel consultancy but has also emerged as an exporter of steel consultancy services.

The steel industry in free India began its development in the Second Five Year Plan with the setting up of three integrated steel projects in public sector at Bhilai, Durgapur and Rourkela, each with a million ingots tonnes capacity. An expansion programme to double the capacity of private sector steel plants, namely, Tata Iron and Steel Company (TISCO) and Indian Iron and Steel Company (ISCO) to two million tonnes and one million tonnes respectively was also taken up. In the Third Five Year Plan emphasis was laid on the expansion of existing public sector steel plants and setting up of a new steel Plant at Bokaro. The Fourth Five Year Plan steel

programme was based on the maximum utilization of existing steel capacity and preparation of plants to set up three new steel plants at Salem (Tamil Nadu), Vijayanagar (Karnataka) and Visakhapatnam (Andhra Pradesh) to create additional steel capacity to meet the requirements of the Fifth Five Year Plan.

Compared to 1964-65, the capacity of main integrated producers (Bhilai, Durgapur, Rourkela, TISCO and IISCO plants) to manufacture steel ingots increased from 6 million tonnes in 1964-65 to 8.9 million tonnes in 1974-75. Likewise, the capacity of the main integrated producers to manufacture saleable steel increased from 5.6 million tonnes in 1964-65 to 6.73 million tonnes in 1974-75. Apart from the increase in the capacity for production of saleable steel by the five major producers, there has also been creation of new capacity amounting to 4 million tonnes by electric furnace steel units. Another 1.7 million tonnes of steel ingots are to emerge from Bokaro Steel Plant. Thus the total capacity becomes 12.4 million tonnes.

In addition to increasing the production capacity many other steps have been taken to ensure that steel is not only easily available in the years ahead but also larger quantities are exported to earn foreign exchange through exports. The measures taken include the improvement of production in the alloy, tool and special steel sectors. In 1964-65, India was depending on imports of categories of steels, like stainless steel, high speed steel, case hardening steel, die block steel, alloy constructional steel, free cutting steel and spring steel. India has in one decade's time reached the stage where bulk of the requirements of alloy steel and special steels are produced indigenously. In 1974-75, the production of these varieties of steels went upto nearly 350,000 tonnes.

The total availability of steel in the country in 1964-65 amounted to 5.3 million tonnes. In 1974-75, it rose to 6.6 million tonnes showing an increase of 25 percent. This record steel availability in the year was made possible by an all time record production of saleable steel by the five main integrated producers. These imports in India aggregated 1 million tonnes valued at about Rs. 2600 million in 1974-75. In view of the increased production expected, the value of steel imports in 1975-76 are estimated to come down to a level of Rs. 750 million, showing

a decline by nearly 70 percent. Also the country will be having exportable surpluses in various categories of steel billets, bars, rods, rails and pig iron.

Another important measure taken by the Government of India was to form a new organisation named Steel Authority of India Limited (SAIL) in early in 1973. Even within its brief existence since then, the Authority has helped in stepping up production and capacity utilization, improving the financial viability of producers, reducing imports, increasing exports and planning future steel development programmes. In view of the anticipated surplus in several categories like ingots, slabs, billets, bars, rods, structurals, rails, wires, galvanised sheets and pig iron, the Authority is planning to export these items in a big way in 1975-76. The total exports of iron and steel in 1974-75 amounted to 1.9 million tonnes valued at Rs. 200 million. In 1975-76, the exports are estimated to go upto Rs. 1100 million.

It is estimated that the steel industry in India will earn a surplus of Rs. 350 million from the balance between exports and imports of steel.

INDIGENOUS CONTENT IN INDIAN SHIPPING IMPROVES

India has achieved almost 50 percent participation in the carriage of general cargo trade and 27 percent in carrying other trades.

Indian Merchant Fleet has expanded from 172 vessels of 0.84 million GRT in 1960 to 319 vessels of 4.2 million GRT now. The diversified fleet has 25 tankers of 4.2 million GRT and 12 OBOs of 0.54 million GRT. By the beginning of the current year, about Rs. 5400 million had been envisaged in the development of major ports making them capable of handling big vessels and the expanded cargo traffic.

The volume of traffic handled during the first Four-Five Year Plan periods in India increased by 250 percent. Sizeable improvement has also been made in the cargo

handling arrangements and increasing the draughts at the ports.

India has also developed expertise in designing, manufacturing, machining and installing of large specialised items of machinery and equipment in planning for the future development of the ports.

There has been progress in the context of regional shipping co-operation in Asia. The establishment of the Irano-Hind Shipping Corporation as a joint venture in collaboration with Iran is a case in point. Another scheme for cooperation between India and Kuwait is under consideration. A multi-lateral trade agreement has also been concluded between countries of the ESCAP region and a new Shipping Conference is taking shape. This Conference is to ensure a larger participation of the countries concerned in the carriage of trade within the region determining the freight relevant to the commodities moving in the trade.

The Economic and Social Commission of Asia and the Pacific (ESCAP) with the Government of India and the Norwegian Agency for the International Development has recently organised a workshop in India on Shippers' Co-operation. The workshop which was attended by about 25 participants from Afghanistan, Bangladesh, Burma, Sri Lanka, Iran, India, Nepal and Pakistan has the objective of promoting and protecting the interests of shippers in the ESCAP region and help them to negotiate effectively with the Shipping Industry and Shipping Conference. This workshop is significant at this juncture in view of certain conferences unilaterally imposing surcharges and increasing freights.

SPOTLIGHT ON PROCESSED FOODS

Processed foods industry in India has made a good headway in recent years. Manufactured under the most hygienic conditions, Indian processed foods conform to internationally comparable standards.

In the range of processed foods, the total production of infant milkfood is estimated to have achieved 11,145

tonnes in 1974. At present there are 10 units, all in private sector, with a total installed capacity of 26,578 tonnes. While its licensed capacity is 34,130 tonnes, the capacity covered by the letters of intent is 13,860 tonnes. Raw materials required for this industry such as fluid milk, sugar, vitamins, packing materials like tin containers are all available from indigenous sources. To give increasing milk yields, cattle development programmes with intensification of cross breeding programmes with exotic breeds are being undertaken.

In the case of malted milk foods, total production in the country at present is estimated 14,500 tonnes (1974) as against 13,030 tonnes in 1973. The number of units producing malted milk foods is eight with a total installed capacity of 20,520 tonnes. The licensed capacity of this item is 16,020 tonnes.

The manufacture of milk powder has also showed increases in production in recent years. Its actual production in 1974 was 11,500 tonnes as against 11,040 tonnes in the previous year. The licensed capacity of this item is 36,660 tonnes per annum. With 13 units (3 in public sector and 10 in private sector), the installed capacity for this item at present is 28,610 tonnes.

The range of processed fruits and vegetables include a variety of products such as mangoes, citrus fruits, pine apples, guavas, grapes, bananas, papaya, amla, litchis, tomatoes, potatoes, peas, carrots, cabbage, bitter gourd, paramal, lady finger, cluster beans, spinach, mushrooms, cauliflower, chillies, french beans and so on. The organised sector of this industry with 27 units in production and 110,000 tonnes of installed capacity turned out 26,500 tonnes of processed fruits and vegetables in 1974 as against 25,600 tonnes in 1973.

The export earnings from processed foods, has gone up from Rs. 165 million in 1971-72 to Rs. 420 million in 1974-75.

The weaning and protein foods too improved in output. Weaning products from 1030 tonnes in 1973 to 1800 tonnes in 1974. Three units are in the sector having a installed capacity of 1105 tonnes per annum. Its actual production in 1974 was 1800 tonnes, as against 1029 tonnes in 1973. Protein foods having a licensed capacity of 5500 tonnes actually produced 1100 tonnes

as against 885 tonnes in 1973. At present there are seven units in this sector.

FACTS ON NON-FERROUS INDUSTRIES IN INDIA

India's import bill on account of non-ferrous metals was in the neighbourhood of Rs. 1781 million in 1974-75. The import value of copper was valued at Rs. 729 million, lead Rs. 188 million and zinc Rs. 553 million.

Among the various industrial raw materials traded on the international markets, non-ferrous metals have witnessed wide fluctuations in supplies and prices. In view of their importance in the programmes of industrial development, the Indian economy has been endeavouring to promote domestic production of these non-ferrous metals.

Annual copper consumption in India has been of the order of 60,000 to 65,000 tonnes. The share of indigenous production has been about 20 percent of the total consumption. Indigenous production is expected to go up to 23,000 tonnes in 1975-76 from about 12,500 tonnes in 1974-75. The production is estimated to attain the level of 47,000 tonnes in 1976-77.

Indigenous production of copper was confined till recently to the Hindustan Copper Complex, Ghatsila based on the ore bodies in the Singhbhum district in Bihar. Another complex has been commissioned at Khetri in Rajasthan using copper ore of the Kolihan region. Meanwhile new ore deposits have been discovered in Malanjkhand in Madhya Pradesh and Agrigundala in Andhra Pradesh.

By 1978-79, demand for copper in India is expected to be about 60,000 to 65,000 tonnes only. It is felt that it would be possible to bring effective saving in copper consumption by that year due to accent on technological innovations as well as through substitution. It is estimated that by 1978-79, import requirements of copper in India will be about 10,000 to 15,000 tonnes. The targetted reduction in the level of import would imply that the

impact of the violent fluctuations in the international prices of copper on the Indian industry will be substantially less in the future.

India's zinc imports stood around 60,000 tonnes to 80,000 tonnes per year till 1973-74. Indigenous output was around 21,000 tonnes for the last three years. Thus indigenous output is about a fifth of the total requirement. With the expansion schemes of M/s. Hindustan Zinc and M/s Comin Binani as also the expected commissioning of Vizag, zinc project indigenous output of zinc is expected to be much larger in 1975-76 and in the subsequent years. According to the Department of Mines of the Government of India, the output is expected to expand to 30,000 tonnes in 1975-76; 45,000 tonnes in 1976-77; 70,000 tonnes in 1977-78; and 90,000 in 1978-79. With the increased production prospects, it is hoped that zinc imports will gradually come down in the years to come.

Primary lead production in India is confined at present to public sector with a capacity of 6000 tonnes a year. Actual production in 1974-75 was 4000 tonnes. The output is expected to gradually improve over the years — 10,000 tonnes in 1977-78 and 16,000 tonnes in 1978-79. In view of low domestic production, lead imports have remained high — 37,000 tonnes in 1974-75. Notwithstanding the efforts being made to increase domestic production recently, India will have to continue to depend on imports of lead in the next few years.

SKETCH ON DYESTUFF INDUSTRY

The Dyestuff industry in India is an important source of foreign exchange. It has earned, through its exports, Rs. 232 million in 1974-75 which was more than double the export value of Rs. 115 million in the preceding year. The group of synthetic organic dyestuffs, natural indigo and colour lakes fetched as much as Rs. 138 million, while the group of pigments, paints, varnishes and related materials were exported to the tune of Rs. 92 million. There were some exports of dyeing and tanning extracts as also synthetic tanning metals.

The dyestuff industry in India has an installed capacity of 18,740 tonnes per annum. Actual production

in 1974-75 was in the neighbourhood of 14,500 tonnes. There are 24 major manufacturing units in the private sector, some of which have the advantage of foreign collaboration. There are plans to raise the effective manufacturing capacity to 24,000 tonnes by 1978-79.

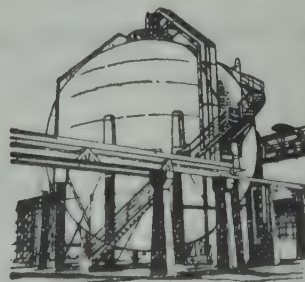
While basic and azo (direct and acid) dyes are reserved for small scale sector, all other groups of dyes are open for further industrial licensing. The Government of India have recognised that in the dyestuff industry considerable technological gap exists *vis-a-vis* other leading producers in the world and therefore there would be scope for foreign collaboration in this line of manufacture. Most of the raw materials required in the dyestuff industry are available indigenously excepting a few like alpha naphthylamine, indigo, mercury and sulphur which have to be imported.

It is also recognised that there is scope for capacity expansion for dyestuffs in certain areas of disperse dyes, fast colour bases, naphthols, optical whitening agents, organic pigment colours, sulphur dyes, vat dyes along with their intermediates. Capacity is also to be created for dye-intermediates and basic chemicals. The machinery and equipment for the dyestuff industry is, by and large available indigenously in India.

The total licensed capacity of paints, enamels and varnishes is 107,400 tonnes. The capacity covered by letters of intent is 8970 tonnes.

The production of the group rose to 70,000 tonnes in 1974-75 as against 68,380 tonnes in 1973-74.

At present there are 16 units producing paints, enamels and varnishes in the country and their installed capacity is of the order of 12,315 tonnes per annum.



INDIA'S EXPORT TRADE IN ENGINEERING PRODUCTS

Sl. No.	Item	1973-74	(in million Rupees)	
			1974-75	1975-76* (April-Sept.)
1.	Industrial Plant and Machinery	159.6	312.3	231.86
	Textile and Jute	39.4	162.8	136.58
2.	Heavy Electricals	60.5	119.9	63.73
3.	Steel Structural (Fabricated)	112.6	155.9	67.60
	(a) Transmission Line Towers	24.4	51.2	15.63
	(b) Boilers including Pressure Vessels	28.5	31.2	12.02
	(c) Other structurals	51.9	65.9	35.52
4.	Wires and Cables	115.4	172.5	83.10
5.	Wagons and Coaches	59.0	99.2	78.02
6.	Complete Vehicles	61.4	165.6	77.06
7.	Machine Tools	36.9	71.2	36.95
8.	Primary Steel and Pig Iron based Items	456.7	957.8	337.00
	(a) Steel pipes and tubes	208.0	414.0	119.74
	(b) High carbon wire products (wire ropes)	26.6	89.9	19.60
	(c) Sanitary Castings, Industrial Castings and Forgings	56.9	120.0	56.84
9.	Non-Ferrous Products	91.4	115.8	24.81
10.	Auto Parts	119.0	221.3	120.45
11.	Bicycles and parts	152.1	218.4	83.29
12.	Hand, Small and Cutting tools	90.6	141.5	72.29
13.	Diesel Engines, Pumps and Compressors	105.6	234.1	107.95
14.	Electronics	92.6	125.8	47.01
15.	Batteries	28.0	57.0	30.74
Grand Total (including other items)		1934.70	3491.10	1593.50

*Provisional.

Source : Engineering Export Promotion Council, Calcutta.

PROFILE ON INDIA'S PUBLIC SECTOR

Public sector in India is different from that obtaining in many other countries. It is State entrepreneurship and as such is vastly different from State capitalism. While in several countries like the U.K., for instance, it has been born of nationalisation, the growth of the public sector in India has been a planned growth with most areas being in the capital intensive fields where gestation periods are long and private capital is unwilling to enter owing to low returns and high risks. Enterprises in these fields, for example, steel, heavy engineering, heavy electricals and so on, though are prone to criticism owing to long gestation periods, have an important role to play in the country's economic development. Over the years the economic resilience and viability of the public sector has become clearly evident.

Some of the socio-economic objectives which the public enterprises in India are called upon to fulfil are : to promote self-reliance in strategic sectors of the national economy; to provide the infrastructure facilities for promoting a balanced and diversified economic structure in development; to prevent concentration of economic power. It also tries to reduce regional disparities and to increase employment opportunities; to generate surpluses for reinvestment and to enforce social control on trade and industry for ensuring equitable distribution of goods and services.

From a bare investment of Rs. 290 million in 1951, the investment increased to Rs. 24,150 million at the end of 1966 and to Rs. 62,370 million in 1973-74. During this period the public enterprises have constantly endeavoured to better their previous marks in the fulfilment of their economic and social objectives. The spectrum of public sector activities today encompasses industries such as steel, heavy, medium and light engineering, transportation equipment, petroleum and chemicals, pharmaceuticals, paper, cement and so on.

The sales turnover of the enterprises (122 in all) during 1973-74 amounted to Rs. 67,770 million as against Rs. 52,990 million in 1972-73—a 28 percent increase. The total turnover of these enterprises during 1974-75 is estimated at Rs. 70,000 million and the return on capital employed is expected to grow up to about 7 percent against 5.2 per cent in 1973-74.

The employment potential generated by these enterprises has been increasing proportionately to the investment made in them. In 1973-74, the total number of employees in these undertakings was 1.3 million against 0.93 million in 1972-73.

One of the major contributors of these improved performance results has been a stepping up of the capacity utilisation of various public sector enterprises. The value of inventories held by running concerns in March 1974 amounted to Rs 25,180 million or 4.3 months' cost of production as against the level of 7 month's value of output which prevailed a few years ago. Seventy percent of their running enterprises were utilising more than 50 percent of their installed capacity while the rest utilised more than 75 percent.

The declaration of emergency and the circumstances resulting therefrom, have given a further impetus to the public enterprises and has created a propitious environment for their working. An instance of the coal industry can be cited in this context. Coal production has been constantly on the uptake and the stocks with steel and power plants and railways is today at a much higher level than before. Cordial labour management relations and the shift system have helped in no mean measure in improving productivity in coal mines.

All public enterprises have accepted to raise during 1975-76 their targets by 10 percent and cut down expenditure by at least a similar margin. Reports of the working at various plants in production as well as under construction are very encouraging.

All to this the scheme of workers' participation and the shape of future performance certainly takes on an encouraging hue. Already during the current year, the enterprises have increased their sales by 40 percent and earned a profit of Rs. 1,500 million. The estimated gross profit during 1975-76 is expected to be approximately Rs. 3000 million.

Apart from this performance on the domestic front public sector enterprises have entered the export field in a big way. Besides the State Trading Corporation and the Minerals and Metals Trading Corporation, more and more undertakings are placing increasing emphasis on export

of products and services to earn foreign exchange for meeting the country's import bill for various crucially needed inputs and services. Marketing companies are, however, still the major export earners for the country but the recent year has seen a welcome step of export of projects, technical and consultancy services. The Oil and Natural Gas Commission, the Fertiliser Corporation of India and some other organisations are executing prospecting consultancy and turnkey project contracts abroad, while more and more developing countries are looking to the Indian public sector enterprises for drawing up their development plans. In 1973-74 the total foreign exchange generated by the Public sector Projects, was Rs. 43,800 million.

Indian enterprises today are able to secure export orders and consultancy and turnkey contracts mainly because of their development planning. Most of the public enterprises have built up enviable Research and Development establishments with the result that the rate of obsolescence of technology is not allowed to impair their working or future productivity. The emphasis on Research and Development is paying suitable dividends today when the country is realising how closer this has brought it today to the ideal of self-reliance in technology.

It would be difficult to ignore the high degree of technological competitiveness achieved by the public sector enterprises as is evident from their increasing successes abroad in the face of stiff competition from multinational and consortiums of the developed countries. The immense amount of captive technological skills and consultancy potential which has been generated by these enterprises will be more and more evident in the years to come. One has only to look at the planning and design division of the Fertiliser Corporation of India or the technologists at the Metallurgical Engineering Consultants, Engineers India Ltd. and Bharat Heavy Electricals to realise the significance of the achievement of the public sector in this regard. Another field where Research and Development has helped considerably is in the developmental activities of the public sector enterprises.

Development has always been accorded a high priority in almost all public enterprises and it is mostly

as a result of this and their diversification programmes and the planned excess installed capacity that they have been able to emerge virtually unscathed from the vagaries of economic conditions. For example, the Bokaro Steel Plant with the commissioning of the Slabbing Mill has begun to feed the economy with finished steel. The Slabbing Mill is one of the most modern in the country with the capacity to roll 600 to 800 tonnes of ingots per hour.

In the engineering sector too, several public sector units have set up new factories to meet the growing demand for industrial products. The Bharat Electronics Ltd. has added a new unit in Uttar Pradesh and joined the band of the other multi-unit companies. The Bharat Heavy Electricals Ltd. which already operates four units in four different States has set up a separate unit for manufacturing transformers in Uttar Pradesh. Another public enterprise, the Hindustan Cables Ltd. has set up a second factory at Hyderabad for manufacture of telephone cables to meet the growing demand of communication facilities in the country. Some of the projects which were initiated in the earlier years were commissioned. Work on some others which needed renovation and modernisation has also been taken up.

The plants of the Hindustan Organic Chemicals which have gone into production should considerably help in augmenting the supplies of intermediate chemicals needed by the dyes industry. The expansion programme of the Koyali Refinery should be welcomed in the context of the world-wide-crisis and our increasing needs of petroleum products. The progress at the Copper Smelter Plant of the Hindustan Copper Ltd. should bring cheer to the users of the non-ferrous metals.

The expansion schemes of the fertiliser units, and modernisation of the Sindri fertiliser plant should help in narrowing the gap between demand for the supply of fertilisers in the coming years. Another significant event is the acquisition by the Government of the foreign-owned refining company ESSO. The emergence of the Hindustan Petroleum Corporation as a separate company brings with it welcome element of competitiveness to ensure top efficiency. □

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TRENDS IN INDIA'S FOREIGN TRADE

The first seven months of 1975-76 (April-October, 1975) witnessed a 15 per cent rise in India's export earning at Rs. 20158.60 million compared to Rs. 17497.70 million in the corresponding months of 1974-75 (April-October, 1974). The country's import bill increased by 31 per cent from Rs. 22464.20 million to Rs. 29514.90 million. The adverse balance of trade which was Rs. 4966.50 million in April-October, 1974 was Rs. 9356.30 million in the same period of 1975. These figures were provisional estimates of the Department of Commercial Intelligence and Statistics, Calcutta.

In 1974-75 the value of India's foreign trade amounted to Rs. 33,040 million while in the year before it was of the order of Rs. 25,230 million. The growth rate in the exports in these years was not insignificant viewed in the context of the constraints on the domestic supply, namely, power

cuts, shortage of raw materials like steel and non-ferrous metals, oil seeds and sugarcane and so on.

Yet the import bill witnessed considerable uptrend — Rs. 29,553 million in 1973-74 and Rs. 44,681 million in the subsequent year. Thus the deficit in the country's foreign trade in these two years totalled Rs. 4323 million in 1973-74 and Rs. 11,641 million in the year that followed.

Foreign trade of India has expanded nine-fold since independence. In 1948-49, the country's foreign trade amounted to hardly Rs. 4590 million and the imports were Rs. 6440 million. The average rate of growth in the exports during the Second Five Year Plan period (1956-61) was only 2.2 per cent. During the decade of 1961-62 to 1971-72 the average annual rate was 4.1 per cent, the peak rate of 13.3 per cent having been achieved in 1968-69. This rather slow trend in the growth rate of exports was broken in 1972-73 and the subsequent years. In 1972-73 the exports increased by 22.5 per cent while in 1973-74 they improved by 28 per cent. The rate of growth achieved in the exports was not only maintained but even improved in 1974-75 at about 29 per cent.

Barring the year 1972-73, India's import bill has always exceeded its export earnings. The imports tended to decline between 1966-67 to 1969-70 but started rising gradually in the years that followed; the growth rate proved to be very sharp during 1973-74 and 1974-75, due mainly to jump in the world prices of oils, fertilizers, and food products. The value of imports rose by 57 percent in 1973-74 and by another about 50 per cent in 1974-75.

The mounting pressures on the import bill would amply justify the various measures that the Government of India have been taking to promote and diversify the country's export structure. The share of traditional goods in the export trade gradually came down making way for the export of newer varieties of semi-manufactured and manufactured products. Some of the new items that appeared on the export front and which realised increasing sums of foreign exchange year after year are marine products and iron ore, finished leather and leather manufactures, chemicals and chemical based products, handicrafts and silver. The Government of India has also been encouraging export of finished products in preference to raw materials. For example exports of finished leather, footwear and other leather manufactures are being encouraged in place of semi processed and processed hides and skins. There have also been notable development in the direction of trade since independence. In 1947, West European Countries, particularly the British Market were leading buyers from India as also the chief sources of supply. Over the years the East European Countries as also the Asian Markets have emerged as important trade partners. In 1974-75 the East European Economies including USSR accounted for 20 percent of Indian exports while the ESCAP Regions accounted for 27 per cent of the export trade. Besides these regions, Indian exports and imports have been distributed to most of the countries in the world including American, African, Latin American and other regions.

EXPORT EARNING FROM ENGINEERING GOODS IMPROVES

In the first half of 1975-76 (April-September, 1975), the export value of India's engineering goods totalled an estimated Rs. 1593.50 million as compared to Rs. 1065 million in the corresponding period of 1974-75 (April-September, 1974), according to Engineering Export

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Promotion Council, Calcutta. This reveals an approximate 50 percent improvement. In 1974-75, the engineering exports stood at Rs. 3491 million as compared to Rs. 1934.70 million in 1973-74, Rs. 1410.80 million in 1972-73 and Rs. 1252.70 million in 1971-72.

The export uptrend was in respect of almost all the categories of engineering exports. The export value of capital goods, for instance, rose substantially from Rs. 289 million in April-September, 1974 to Rs. 646 million in the same period of 1975. Exports of primary steel and pig iron based items also improved from Rs. 297 million to Rs. 337 million. The offtake of consumer durables such as auto parts, bicycles and accessories, diesel engines, electronics, electric fans and electric batteries went up from Rs. 433 million to Rs. 586 million.

In the Capital goods sector, the export performance of industrial plant and machinery rose from Rs. 80 million to Rs. 232 million in the comparable periods. Export of textile and jute machinery was particularly notable as it improved from Rs. 27 million to Rs. 137 million. Similarly uptrend was noticed in food processing machinery, cement machinery and earth moving equipment.

Heavy electrical exports recorded rise from Rs. 33.6 million to Rs. 63.7 million. Fabricated steel structurals earned more at Rs. 67.6 million compared to Rs. 55.7 million. Although a marginal decline was registered in transmission line towers (from Rs. 17.7 million to Rs. 15.6 million), the offtake of cranes and lifts, boilers including pressure vessels and other structurals were all exported more.

There was substantial improvement in the export trade of wires and cables too. Their export value rose from Rs. 46 million in the first half of 1974-75 to Rs. 83 million in the corresponding period of 1975-76. Indian wagons and coaches had also witnessed dynamism in exports and earned Rs. 78 million in April-September 1975 as against Rs. 14.5 million in the corresponding period of the preceding year.

Auto vehicles and parts constitute another segment of engineering export from India which has witnessed consistent improvement over the years. The export

value of complete vehicles was more than doubled from Rs. 34 million to Rs. 77 million. The export value of auto parts brightened up from Rs. 78.5 million to Rs. 120.40 million.

Machine Tools exports which were in the neighbourhood of Rs. 25 million in the first half of 1974-75 rose to Rs. 37 million in the corresponding period of 1975-76.

In the group of primarily steel and pig iron based items the most important export items have been steel pipes and tubes. Their exports improved from Rs. 110 million in the first half of 1974-75 to Rs. 120 million in the first half of 1975-76. In these periods, the export value of sanitary and industrial castings as also forgings stood at Rs. 43 million and Rs. 57 million respectively while the export of mild steel products was Rs. 19 million and Rs. 38 million respectively; ferrous holloware Rs. 11 million and Rs. 12 million; industrial fasteners Rs. 18.5 million and Rs. 23.4 million; and wire ropes Rs. 27.5 million and nearly Rs. 20 million.

India's bicycle industry is a significant contributor to the country's foreign exchange earnings and has secured Rs. 83 million in the first half of 1975-76 as against Rs. 82 million in the same period of the preceding years. The export earning would have been more but for the slow-down in the overseas sales of bicycle parts. Foreign exchange earnings from hand, small cutting tools have improved from Rs. 54 million to Rs. 72 million in the respective periods.

Overseas demand for Indian diesel engines and pumps witnessed a mention-worthy boost in recent months. The demand has gone up not only for diesel engines and parts (from Rs. 45 million to Rs. 85 million) but also for mechanical pumps and air compressors. Electric fans and parts improved in their export performance from Rs. 22 million to Rs. 35 million.

Electronics Industry, also improved in its export earnings in the periods under review. The export value improved from Rs. 38 million to Rs. 47 million. The offtake of radios and parts, electronic components, public address equipment, telephone and teleprinters have all shared the export dynamism although data processing machines registered a marginal

decline. Electric batteries, also improved their export performance — from Rs. 20 million to Rs. 31 million. Overseas sale of storage batteries has particularly picked up (from Rs. 13 million to Rs. 23.5 million).

Among other engineering items that have received rising international demand in recent months are sewing machines, electric lamps and fluorescent tubes, oil lamps and stoves, abrasives and grinding wheels, and electric accessories and appliances.

INDO-EGYPTIAN TRADE AGREEMENT

The Arab Republic of Egypt is to supply, for the first time, sizeable quantity of crude oil under the Trade Agreement with India finalised recently. Letters conveying the main features of the Agreement were exchanged between Shukry-El-Nahal, Under Secretary in the Egyptian Ministry of Foreign Trade and Dr. P.C. Alexander, Foreign Trade Secretary on behalf of their respective Governments.

The total annual turn-over in the two way trade between India and Egypt will now be to the tune of Rs. 1200 million as against Rs. 752.80 million in 1974-75 and Rs. 407.20 million in 1973-74. Over and above this agreement regarding rupee trade, both sides have agreed to have trade in free foreign exchange also. However, from January 1, 1977, the trade between India and ARE will be conducted in freely convertible currency.

In addition to crude oil, Egypt will supply to India rock phosphate, rice and small quantity of long staple cotton. India's exports to Egypt will include iron and steel goods worth over Rs. 200 million, other non-traditional items like engineering goods, drugs and pharmaceuticals, radio components, refractories, paper products and plywood and traditional items like lac, jute goods, tobacco, paper and spices.

India mainly imports long staple cotton from ARE and exports both traditional and non-traditional goods like tea, spices, lac, natural gum, resins, jute manufactures, electric and other machinery and transport equipment.

IMPROVED EXPORT POSITION OF IVORY GOODS

Ivory articles and artware have registered substantial export improvement in 1974-75 compared to the preceding years. The export was valued at Rs. 5 million and Rs. 3.3 million in these years respectively.

During 1974-75, USA was the major buyer with an off-take of Rs. 2.2 million as against Rs. 1 million in the preceding year. France also showed an improvement with an intake worth Rs. 0.6 million compared to Rs. 0.2 million; exports to UK were maintained almost at the preceding year's level (about Rs. 0.3 million). Federal Republic of Germany and Spain imported the articles worth Rs. 0.26 million and Rs. 0.16 million respectively while Switzerland, Kenya, Afghanistan, Japan, Indonesia and Italy were the other important buyers.

Ivory carving is an ancient craft in which India has made her mark. Indian made ivory articles—carved powder boxes, inlaid jewellery boxes, cuff-links, models, figures of gods and animals, napkins, rings, lamp-shades, varieties of costume jewellery, ear rings, broaches, and bangles are some of the objects of utility and artistic beauty produced by the ivory craftsmen in India.

Ivory, the tusk of elephants, is used for making a wide range of objects which are typical to the regions to which the craftsmen belong. Ivory articles of Kerala, Karnatak, Orissa and Murshidabad (West Bengal) became famous even in medieval times and these places are still important centres of ivory-craft.



INDIA AND KUWAIT PROPOSE FURTHER CO-OPERATION

India and Kuwait have agreed to negotiate long-term contracts for the purchase of petroleum products from Kuwait.

There has been a satisfactory long standing cooperation between India and Kuwait in the matter of supply of petroleum products, fertilisers and so on.

During recent discussions between the two sides, desirability of Kuwait increasing its imports from India was reiterated and both sides agreed to exchange delegations for working out further details to achieve this objective. India offered to assist Kuwait in its development programme through transfer of technology, expertise, design and engineering capabilities and trained man-power and the Kuwait Minister showed interest in it.

Both India and Kuwait noted with satisfaction the cooperation between the two countries in international forums on matters connected with energy, raw materials and development programmes of the third world and, in particular of the Most Seriously Affected Countries.

India expressed its appreciation of the OPEC decision to create an international fund for assistance to the developing countries. The Kuwait side indicated that they were alive to their responsibilities towards the Most Seriously Affected Countries.

INDIAN PORTS EQUIPPED FOR COAL EXPORT

Indian ports are at present fully equipped to carry all the coal available for export. These ports are being developed to carry more coal that could be made available for exports in years to come.

In the wake of the energy crisis, anticipating an increase in the demand of coal in which the country was quite rich, immediate steps were taken to augment the

coal loading facilities at various ports. Recently, a Task Force was appointed to explore the possibility of increased export of coal from Indian ports.

The total production of coal in 1973-74 was 77.8 million tonnes which rose to 88 million tonnes in the following year and was expected to be 98 million tonnes during the current year. The internal demand, however, is pegged at the production level of 1974-75 and the quantity of coal available for export by sea is likely to be 0.5 million tonnes during the current year, about 2 million tonnes in 1976-77, 3.6 million tonnes in 1977-78 and 5.6 million tonnes in 1978-79.

Of 0.5 million tonnes available for export during the current year, 0.4 million tonnes is meant for export to traditional markets like Bangladesh, Burma and Sri Lanka. A small quantity of 0.1 million tonnes might be purchased by countries of European Economic Community and Japan.

The port of Calcutta at present has one mechanised and two manually operated berths capable of loading 1.5 million tonnes annually. Most of it is moved through coastal shipping, but about 0.4 million tonnes is being shipped to neighbouring countries. The remaining 0.1 million tonnes of the total quantity available for export during the current year can easily be handled by Paradeep.

This port is presently equipped with a stackyard, six rear dumpers and two payloaders. When two more dumpers and one additional payloaders are provided, it will be possible to load upto 2,500 tonnes per day giving a through-put of 30,000 tonnes per month, or 0.4 million tonnes per annum.

The main port which will handle coal exports is Haldia. It is capable of stacking 150,000 tonnes of coal when it is commissioned in October next year. The stacking rate will be about 1,500 tonnes per hour and that of loading into the ship about 1,000 tonnes per hour yielding an annual loading capacity of 3.5 million tonnes. The port is so designed that with a little more investment its loading capacity could be raised to 5 million tonnes per year. Haldia will have a draught of 35 feet capable of taking in 40,000 DWT ships, which can be raised to 40 feet

when required. There are two coal berths to accommodate two 40,000 DWT vessels which could be loaded just in two days with the help of two ship loaders each having a capacity of 1,500 tonnes per hour.

Additional capacity for coal export will also be available at the port of Visakhapatnam shortly with the shifting of iron ore export to the Outer Harbour. When the Outer Harbour is commissioned, one berth in the Inner Harbour out of two being used for iron ore loading, could be used for coal loading at the rate of 5000 tonnes per day yielding a through-put of 0.5 million tonnes annually. This could be raised to 10,000 tonnes per day, or one million tonnes annually, when required.

PICTURE ON EXPORT DESTINATION OF INDIA'S ENGINEERING PRODUCTS

Of the Rs. 3490 million worth of India's Export Trade in engineering goods in 1974-75, the Asian Region accounted for Rs. 2017 million (58 per cent), Africa Rs. 487 million (14 per cent), East Europe Rs. 270 million (8 per cent), West Europe Rs. 318 million (9 per cent), North America Rs. 259 million (7 per cent), South America Rs. 21 million, Australia Rs. 84 million and Oceanic Islands Rs. 26 million.

The Asian region has been absorbing an increasing rate of the engineering products of India over the years. This Continent bought these goods at Rs. 713 million in 1972-73, Rs. 1056 million in 1973-74 and Rs. 2017 million in 1974-75 indicating a fast rising graph. The South East Asian Countries absorbed the products worth Rs. 400 million, Rs. 579 million and Rs. 928 million respectively in these years, while the West Asian Markets imported worth Rs. 312 million, Rs. 477 million and Rs. 1089 million respectively. In South East Asia, Malaysia is the leading buyer. This market is of particular importance to India's engineering industry, in that it increased its offtake substantially year after year — Rs. 47.5 million in 1972-73 and Rs. 113.4 million in 1973-74 and Rs. 179.2 million in 1974-75. Next in importance has been the market of Bangladesh whose

offtake in 1974-75 amounted to Rs. 130 million as compared to Rs. 102 million and Rs. 115 million in the preceding two years. In order of importance the other significant buyers of engineering products of India have been Singapore (Rs. 93 million in 1974-75), Indonesia (Rs. 92.5 million), Thailand (Rs. 81 million), Nepal (Rs. 75 million), South Korea (Rs. 71.3 million), Sri Lanka (Rs. 71 million), Hongkong (Rs. 40 million), Japan (Rs. 38 million) and Philippines (Rs. 25 million).

Among the West Asian Markets, Iraq has now emerged as the principal buyer for the engineering products from India. Its purchases were valued at Rs. 383 million in 1974-75. In the year, the imports by Iran amounted to Rs. 168 million, United Arab Emirates Rs. 145 million, Kuwait Rs. 111 million, Saudi Arabia Rs. 104 million, Oman, Rs. 58 million and Bahrain Islands Rs. 22 million. Incidentally, Iran was the most important buyer of the products from India in 1973-74. Although Iranian imports of these items improved from Rs. 100 million in 1972-73 to Rs. 134 million in 1973-74 and further to Rs. 168.5 million in 1974-75, Iraq stole the premier position in West Asia in 1974-75. The imports by Iraq amounted to Rs. 44 million in 1972-73, Rs. 77 million in 1973-74 and Rs. 383 million in the subsequent year.

In the African Continent the most important buyer of India's engineering products has been Nigeria. This market was purchasing the products between Rs. 50 to Rs. 60 million a year till 1973-74, but in 1974-75 the imports went up to as much as Rs. 134 million. Next in importance has been the Kenyan market (Rs. 76 million in 1974-75) followed by Tanzania (Rs. 45 million), Zambia (Rs. 43 million), Arab Republic of Egypt (Rs. 42 million), Uganda (Rs. 35 million), Sudan (Rs. 14 million) and Malawi (Rs. 12 million).

The entire East European bloc particularly the Soviet Union has been endeavouring to absorb more and more of India's engineering exports in recent years. The Soviet Union improved its purchases from Rs. 73 million in 1972-73 to Rs. 81 million and Rs. 110 million in the subsequent years. Next in importance have been the Yugoslavia (Rs. 62 million in 1974-75) Poland (Rs. 31 million), Czechoslovakia (Rs. 28.4 million), GDR (Rs. 18 million) and Hungary (Rs. 11.5 million)

The European Economic Community with which India's trading relations have all along assumed importance has also increased its offtake of the engineering products in recent years. Their import value in this sector amounted to Rs. 100 million in 1972-73, Rs. 199 million in 1973-74 and Rs. 294 million in 1974-75. The two major buyers have been the U.K. and Federal Republic of Germany. The British market consistently improved its offtake from Rs. 44 million in 1972-73 to Rs. 92 million and Rs. 128 million in the two years that followed. Federal Republic of Germany also absorbed the products at an increasing rate — Rs. 33 million, Rs. 70 million and Rs. 103 million. France, Netherlands Italy, Belgium and Denmark are the other important buyers in that order.

The US market has also appreciated the competitive nature of certain engineering goods of India and as a proof it increased its imports from Rs. 83 million in 1972-73 to Rs. 103 million and Rs. 230 million in the subsequent two years. Likewise the Canadian purchases also increased from Rs. 5 million to Rs. 8 million and Rs. 30 million.

Among the South American markets the important buyers have been Guyana; Brazil, Peru, Argentina, and Venezuela.

The destination pattern of a wide variety of engineering goods manufactured by the Indian Industry has thus been well-spread over the entire globe. Besides labour intensive products, the Indian economy has come to establish its export trade of a broad range of capital goods like industrial plants and machinery, steel structurals, steel products, railway wagons and coaches, auto vehicles and accessories and electronics. The engineering industry of the economy is confident of raising its share in the country's over-all export trade year after year.

INDUSTRIAL DEVELOPMENT AND DIVERSIFICATION

TECHNOLOGICAL PROGRESS IN INDIAN ECONOMY

India is ranked as the most technologically developed country among the developing countries of the world.

Along with the expansion of the industrial base, particularly in the last decade, the technological base of India's industry has also deepened and widened. During the last five years alone, manufacture of as many as 450 new engineering products and chemical materials has been established covering a wide spectrum of technologies. Over the last ten years, the machine-tool industry which upto the early sixties was characterised by a predominance of second generation general purpose machine-tools, has established the production of technically complex machine tools like single and multi-spindle automatics, copying and multi-tool automatic turning lathes, drum turrets, new ranges of boring machines, broaching machines and gear hobbers and shapers.

In the field of industrial machinery technical breakthrough in production has been achieved as, for instance, in the manufacture of calandria for nuclear reactors and sophisticated marine gears for frigates. Technical capabilities have been developed for the design, engineering and fabrication of modern large-size industrial plants like a 4,000 TCD sugar mill. In the field of power transmission the high tension voltage has been upgraded to 400 KV with a parallel development of design and manufacturing capabilities of power transformers and circuit breakers, of that voltage. Technical problems in the production of large-size electric motors of varying technical performance characteristics for use in integrated steel plants, electric traction and cement factories have been overcome and the power equipment industry in the country is now in a position to manufacture such motors upto 5,000 HP.

Design and fabrication capabilities have been enlarged in several sectors of the heavy engineering industry, a typical example of which is the mobile and EOT crane industry. The new 150-tonnes ship-building crane with electronic controls now under fabrication for use in the Cochin Shipyard is of indigenous manufacture which it is reported, is not matched by even some of the most developed countries.

The petro-chemical industry in the country, though relatively of recent origin, has made such rapid strides as to be able to supply almost the entire range of organic feed-stocks for a wide spectrum of consumer industries

like drugs and pharmaceuticals, dyes, man-made fibres, pesticides and plastics. The drug industry in the country, which is rated as one of the best in the developing countries and comparable to some of the best even in the developed countries, owes its growth to the above progress in the petro-chemical industry. New types of antibiotics have been developed from within the country's own technical resources.

Faced with the recent oil crisis and the problem of rising import bill on account of oil imports, Indian economy has concentrated on the possibility of conserving energy sources, utilising alternative sources of energy as also maximising fuel efficiency in industrial practices. The question of limiting consumption of petroleum products within manageable dimensions consistent with the requirements of maintaining the tempo of industrial production has also received considerable attention. Substantial imports of furnace oil, for instance, have been made every year in spite of increased indigenous production. This petroleum derivative being a vital input for the industry and power sectors has attracted attention of researchers and technicians and short term and long term strategies for conservation of this oil have been sought to be evolved. Through proper publicity, training of operators and updating of equipment as also a switch-over to coal as energy source where-ever feasible, the consumption of furnace oil was contained at 4.2 million tonnes in 1974-75 compared to 4.5 million tonnes consumed in 1973-74. Keeping in view domestic production also, an estimated 0.8 million tonnes of furnace oil was saved in 1974-75, without affecting industrial growth. Of this nearly 0.5 million tonnes was saved through switch-over of the energy source of various industries and power plants from oil to coal.

Thus the Indian economy has mobilised its technological expertise and scientific research endeavour to maximise the possibility of converting the indigenously developed technology into commercial production, modernising and up dating the existing technology and continuously identifying prospects of import substitution and export generation.

The net outflow of foreign exchange as a percentage of the value of domestic output in India has been rapidly declining. In 1960, this was 29 per cent which decreased

to 16 per cent in 1967 and hardly to 2 per cent in 1974. The value of domestic output of large scale and medium industries grew substantially from Rs. 7780 million in 1960 to Rs. 16,840 million in 1967 and Rs. 75,000 in 1974. The foreign exchange outflow for maintenance import of raw materials and components grew from Rs. 2400 million to Rs. 3110 million and Rs. 6000 million in these years. Foreign exchange income through exports of industrial products (mainly engineering and chemicals) brightened from Rs. 120 million to Rs. 480 million and Rs. 4700 million while the net outflow of foreign exchange in these years was Rs. 2280 million, Rs. 2630 million and Rs. 1300 million respectively. Evidently, the technological base built in India over the years of planning helped improve the value of domestic output and foreign exchange earnings from exports and simultaneously to decrease the net outflow of foreign exchange both in terms of value and as a percentage of the value of domestic output.

PROGRESS ON IRRIGATION IN INDIA

India is one of the largest irrigated economies of the world. While the dependence on monsoon is no doubt important, planned efforts have been under way to bring more and more of cultivable land under irrigation. In fact, the pace of development of irrigation has been considerably stepped up in recent years. It is anticipated that the country's total irrigation capacity by 1978-79 will be of the order of 27.10 million hectares. In 1950-51, the irrigation capacity was in the neighbourhood of about 9.70 million hectares which had been improved to reach 16.10 million hectares in 1965-66 and 21.80 million hectares in 1974-75. This improvement has been made possible through various major, medium and minor irrigation schemes. It is estimated that the major and medium schemes have an ultimate potential of irrigating about 57 million hectares.

In the first three Five Year Plans (1951-66), about 500 major and medium irrigation projects were taken up. Work on 60 major and 157 medium schemes continued in the Fourth Five Year Plan (1969-74). During the Fourth Five Year Plan 18 major and 59 medium irrigation

schemes were approved and in all 81 major and 213 medium schemes were under effective implementation during the plan period. The progress achieved since 1960-61 is noteworthy because of the additional irrigation potential of 5.2 million hectares created during the period is nearly 80 per cent of the potential created in the first 15 years of planned development.

Irrigated land in India under all crops has been doubled upto a level of about 45 million hectares. Increasing utilization and ground water resources through tubewells and pumpsets has proved to be a significant development in irrigation. The number of shallow tube wells installed in the country went up from 245,000 in 1968-69 to 78,2000 in 1973-74. The number of pump sets (both electric and diesel operated) is estimated to have gone up to 4.13 million in 1973-74 from 1.61 million in 1968-69.

An estimate has revealed that the total water sources available in the rivers of India is 1880 thousand million cubic metres. Of this only about 567 thousand million cubic metres can be utilised through major and medium irrigation. At the beginning of the First Five Year Plan only 93.5 thousand million cubic metres were being utilised. At the end of the Third Five Year Plan, it rose to 152 thousand million cubic metres representing an increase of 58.5 thousand cubic metres in 15 years. In the last 9 years, the utilization has gone upto 205 thousand million cubic metres which means a further increase of 53 thousand million cubic metres.

Considerable indigenous expertise in the field of water resources development has been achieved by Indian personnel and technicians. In fact, this technical expertise has helped in undertaking the various irrigation projects in the country over the years. The Central Water Commission which is the premier technical organization in India in this context has not only undertaken the design work for a large number of projects in various States of the country, but has also rendered valuable assistance to several projects in foreign countries such as Afghanistan, Bhutan, Indonesia and Sri Lanka. With a view to making an organised effort and provide the available expertise to the export markets, an organization named the Water and Power Development Consultancy Services (WAPCOS) was set up. This organisation provides

engineering and related technical services for the development of water and power resources as also for pre-investment services like preparation of projects report, and so on. In the past six years, this organisation concentrated on large business potential in developing countries particularly in Afghanistan, Burma, Iraq, Laos and Sri Lanka.

India has also acquired considerable experience in planning and implementation of flood control measures in the last two decades. A National Commission on floods is proposed to be set up to undertake the flood control activity in an organised manner.

In a predominantly agricultural economy like India, the essential requisite is adequate supply of water resources. This constitutes an important objective of the Five Year Plans in India.

ON AIR AND GAS COMPRESSORS

India has an annual capacity to manufacture nearly 13,608 air and gas compressors. In 1974-75, the production was of the order of 6200 pieces as against 5918 pieces in 1973-74. In view of the increasing demand the capacity is expected to rise to a total of 16,000 numbers by the year 1978-79. The scope for further capacity lies in terms of diversification of the present range of production within the existing capacity. At present, there public sector units and ten private sector units are engaged in the manufacture of this item. At present there is no specific industrial licensing policy for air and gas compressors industry. However, to safeguard the interests of the proposed public sector projects which have already finalised its foreign collaboration, a general demarcation between private sector units and public sector units has been specified. The private sector units are permitted to manufacture compressors only upto 4500 cfm. capacity and 150 psi discharge pressure.

Among the raw materials required are pig irons, graded C.I. castings, steel forgings, steel sheets, M.S.

rounds, alloy steel bars are available indigenously. Stainless steel sheets and alloy steel sheets for the manufacture of valve plates are to be imported.

Air and gas compressors from India are mainly exported to Bahrein islands. In 1974-75 the total exports were valued at Rs. 15.60 million as against Rs. 6.75 million in 1973-74 and Rs. 4.05 million in 1972-73. The offtake by Bahrein Islands was valued at Rs. 2 million followed by Australia (Rs. 0.7 million) and Abudhabi (Rs. 0.3 million).

ON ELECTRONIC INDUSTRY **IN INDIA**

The recent launching of a Space Ship 'Aryabhata' is an ample testimony to India's competence in designing and implementing complex products involving the myriad electronic systems. The electronic equipment successfully manufactured in India have multi-directional application value—defence, communications, industry, medicine, atomic energy and exploration of outer space. Vital electronic goods of defence are now being met increasingly on an indigenous basis even in areas like Radars and sophisticated communication systems.

Besides the notable progress achieved by the electronics industry in India in the context of manufacture and domestic use, the industry's products are being increasingly sought after by the international markets. The export earning of the electronic industry which was hardly about Rs. 30 million way back in 1968 has gone upto nearly Rs. 126 million in 1974-75. The exports have increased not only in financial terms but in the variety of items exported and the number of enterprises engaged in this activity. Quite apart from consumer items like radios and television sets, data processing equipment, public address systems and tele-communication equipments are being increasingly supplied to overseas markets. In 1974-75, the export value of radios, parts and electronic components was of the order of Rs. 57 million while that of data processing machines was Rs. 52.20 million, public address equipment Rs. 9 million and telephone and tele-printers Rs. 7.5 million.

M/s. Bharat Electronics Limited, an important electronic manufacturer in India in the Public Sector have concluded a contract to export worth Rs. 170 million of Radar equipment over the next five years. Another Public Sector undertaking, M/s. Indian Telephone Industries (ITI) has secured export contract of telephone exchanges to Surinam and East Africa. Heavily export oriented production programmes by foreign majority companies have also been set up at the instance of the Government of India. One of these programmes alone involves an export commitment of Rs. 150 million over the next five years.

To take advantage of the growing world demand in electronics, a hundred percent export oriented export processing zone has been set up at Santa Cruz at Bombay. This project is well under way and many manufacturing projects have already been licensed of which some have already gone into production and even started to export. It is expected that by 1977-78 this project will reach its optimum level of production and achieve an export earning capacity of Rs. 500 million per year.

The growth of the electronics industry in India would make an interesting study. The production value of this industry has been growing at an average annual rate of 20 per cent. The value was of the order of Rs. 1800 million in 1971-72 which improved to Rs. 3000 million in 1974. This growth rate has been spread over all sectors of the industry—components on the one hand and equipment on the other encompassing consumer electronics, tele-communication, aerospace, industrial electronics, computers, controls and instruments.

Public Sector has played an important role in the development and diversification of the electronics industry in India, particularly in the sector of professional electronics. Central public sector and departmental undertakings account for one half of the total electronics production and the bulk of the professional electronics output in the economy. In the field of consumer electronics, the major thrust has come from the organised sector and the small scale industry. This sector has also entered into several professional areas like radios, frequency cables, micro wave components, digital instruments, control equipment and electronic desk calculators. In the area of tele communications and a large variety

of communication equipment, foreign technical collaboration has been dispensed with. Quite a few of these segments of the industry are being encouraged on an indigenous know-how and design.

In the public sector M/s. Indian Telephone Industries Limited and M/s. Bharat Electronics Limited are the major producers of professional communication equipment. Production by these two companies in 1974-75 amounted to Rs. 600 million and Rs. 540 million respectively. With the establishment of the Electronics Corporation of India Limited (ECIL), the drive for self-reliance in the industry has become obvious. This establishment has witnessed a notable growth rate which exceeded 30 per cent in certain years and reached the turnover of Rs. 200 million in 1974-75. M/s. Hindustan Electronics Limited, Hyderabad, M/s. Hindustan Teleprinters Limited Madras, and M/s. Instrumentation Limited, Kota also significantly contributed to the growth of the industry.

Consumer electronic sector has been the mainstay of the electronic industry in India. The production of radio receivers was of the order of Rs. 36 million in 1974-75. The television industry in the country manufactures about 75,000 sets (black and white) annually and with the increasing domestic demand rapid growth of domestic production is envisaged in the near future. Other items of consumer electronics which are produced in substantial quantities are tape recorders, recordplayers and public address systems. In the context of mass communication the electronics industry has been playing an important role. About 90 per cent of India's population is covered by radio-broadcasts and 18 per cent of it is presently covered by television broadcasts. It is expected that by 1978-79 the coverage by T.V. broadcast will be to the tune of 53 per cent of the total population. In the case of transmission and relay of broadcast through satellites work is already underway. The OCS (overseas communication services) and the ISRO (Indian Space Research Organization) are undertaking these jobs. The entire ground segment required for the SITE (Satellite Instructional Television Experiment) including television sets antennas and so on have all been designed and manufactured in India. Major Earth Space for International Satellite Communication which involved highly precise technology have also been popular indigenously.

In the communication sector the progress achieved by the electronics industry in India is particularly notable. The current rate of annual production in the area of telecommunication is Rs. 740 million consisting one fourth of the total electronics output of the country. The major items manufactured include strowger and crossbar type, auto switching equipment at Indian Telephone Industries, Bangalore. Good progress is achieved in the development of electronics telephone exchange at the telecommunication research centre of Government of India. Micro Wave Transmission Equipment mostly manufactured by ITI on the basis of indigenous know-how, is running at about Rs. 200 million annually. The Electronics Corporation of India Limited manufactures antennas and wave guides for microwave and WHF communication systems. The teleprinter manufacturing capacity (at Hindustan Teleprinters Limited) is around 6000 teleprinters a year. A variety of HF and VHF communication equipment is now available indigenously. M/s. Hindustan Aeronautics Limited (Hyderabad) manufactures VHF air to ground trans-receivers. ECIL has taken up the production of VHF single channel trans-receivers recently. Telemetry and telecontrol equipment, power line carrier communication equipment, supervisory remote control systems, and such other electronic equipment needed for State Electricity Boards are also being produced within the country. Interestingly these are the categories of equipment where Indian companies have recently won nearly Rs. 10 million worth of orders against world bank loans, in the face of stiff international competition.

Even in the field of Radars and Navigation systems, Indian Economy has reached a stage of considerable domestic capability. M/s. Bharat Electronics Limited have already developed and produced storm warning and cyclone tracking radars. A comprehensive long-term plan to meet the country's needs of Radars both for defence and other uses is being prepared under the auspices of the National Radar Council.

India's first computer was designed in the early sixties and since then continuous efforts have been under way to develop the necessary expertise and infra-structure for self-reliance in this important field of electronics. ECIL have already developed and produced a series of their

generation computers—TDC 312 and TDC 316. During 1971-74, 51 of these computers have been manufactured by this organization. These computers are being increasingly used for process control, defence applications and advance scientific research including space research, data logging and software development recently. ECIL has developed and produced a central data processing system for the fast breeder test reactor at the Atomic Power Station, Kalpakkam. This organisation is building around two TDC-16 medium size computers made by ECIL.

The progress achieved by the Electronics Industry of India is equally notable in respect of control and industrial electronics, medical electronic equipment and test and measuring instruments. Development in these fields has been in fact rapid and lines of production are being promoted year after year.

In the field of electronic components also Indian industry is not lagging behind. The production value of the components improved from about Rs. 65 million in 1965-66, to Rs. 810 million at present. India has in fact come to such a stage of being able to export a wide variety of consumer grade components in substantial quantities. A variety of electron tubes are being manufactured indigenously. Production of integrated circuits is entering the area of bipolar large scale integrated circuits. In the area of passive components, resistors of almost all types are being made in the country.

The connected industry is coming up in manufacturing coaxial, rack and panel and printed circuit connectors. Other components like reed relay, switches which include rotary wefer, push button, toggle, snap action types, crystals, magnetic compoments and printed circuit boards are all being manufactured in the country.

The progress that has been achieved by the Electronic Industry in India was mainly possible due to the pro- nently measures taken in the context of indigenous research and development. The sizeable investment made in this direction has indeed proved useful in a wide range of electronic components and equipment have come to be successfully developed and produced indigenously. The Electronics Commission of India has set up an ambitious target of Rs. 89,930 million in the 10-year period during 1974-84 with an estimated investment of Rs. 6980 million extending over the Fifth Five Year Plan which is to terminate by 1978-79 and the subsequent Sixth Five Year Plan. The investment in Electronics Industry in the Fifth Five Year Plan is to be of the order of Rs. 2020 million. In the Sixth Plan it would be more than double to Rs. 4960 million. While the estimated production in the Fifth Five Year Plan in the electronics is annuay Rs. 26,080 million, this is to go up by Rs. 63,850 million during the Sixth Five Year Plan. At the end of the Fifth Five Year Plan the export value is expected to reach Rs. 230 million while during Sixth Five Year Plan it is expected to grow at 25 percent annually.

